

AGRICULTURAL OUTLOOK

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In Brief.

News of 1985 Farm Income, Food Prices, and U.S. Exports

Except for wheat, global crop output is rising sharply this year. U.S. crops have recovered from last year's drought, and foreign cotton and soybean outturns continue to expand. Although not increasing sharply, world wheat production is above last year's record, even with reduced crops in Canada, Argentina, and Australia. The European Community's crop is much larger.

World coarse grain production reflects a sharp increase in U.S. acreage and yields. The expansion in soybean production is also because of a large U.S. crop, as well as some yield improvement in Brazil.

A large U.S. cotton crop is helping push up global production. Better cotton crops are also likely to be harvested in Pakistan and Mexico, along with another record in China.

U.S. meat and poultry production remained large during the second half of 1984, reflecting increases in broiler and beef production. Total output for 1985 could decline slightly, as smaller beef output offsets larger broiler production. A little smaller meat supply and rising consumer incomes could mean higher average livestock prices for 1985.

Supplies of all fresh fruit will likely be smaller in 1984/85. Although the citrus crop is forecast to be moderately larger than last season, it is still sharply below 1982/83. Tree damage from the December 1983 freeze reduced production in Florida and Texas. Non-citrus supplies will also be smaller, reflecting shorter crops of grapes and winter pears.

Commercial vegetable production in the United States was slated for a 5- to 7-percent increase in 1984, compared with 1983. Based on 1984 production, the 1985 supply of processed



vegetables, potatoes, and dry edible beans is forecast up through the first two quarters. High prices for fresh vegetables suggest that growers will increase plantings in 1985.

Net farm income in 1984 may nearly double 1983's \$16 billion, which was cut by drought-reduced crop output and depressed livestock prices. Much of this year's gain will come from an increase of \$7 to \$11 billion in the value of inventories, primarily crops. A rise in production expenses will more than offset an increase in marketing receipts, so net cash income may total \$34 to \$38 billion, below 1983's record \$40 billion.

Persistently low farm income and declining farmland values in many regions have created financial stress among highly leveraged farmers. More of these highly leveraged farmers fall into the top sales classes (selling over \$100,000 in farm products a year). Some of these may have to restructure their balance sheets over the next few years to improve cash flow and profitability. This situation will keep downward pressure on the value of farm assets, particularly land and machinery.

Over 14 percent of all farm assets are owned by farmers with debt/asset ratios over 40 percent.

The Consumer Price Index for food next year is expected to average 2 to 5 percent above 1984. Prices likely rose about 4 percent in 1984. Most commodities will probably be in good supply, so little, if any, rise in farm prices is likely in 1985. Food marketing costs will increase 3 to 5 percent in 1985, following a likely 4-percent rise in 1984. Growth in consumer demand will be more moderate, putting little pressure on retail prices.

After reversing a 2-year decline in fiscal 1984, the value of U.S. agricultural exports is expected to drop to \$36.5 billion in fiscal 1985. Lower prices will offset anticipated increases in the volume of grains and soybeans. Export volume—which dropped a million tons in 1984—is expected to rebound to 149.5 million metric tons. A strong dollar will continue to restrain exports, as will larger foreign production. The dollar will also continue to buoy imports, which are forecast to rise marginally from fiscal 1984's record \$18.9 billion.

For the past several years, U.S. farmers have been buying fewer and smaller powered tractors. Farm machinery expenditures were record high in 1979, but have declined 37 percent since that peak. With farm finances not expected to improve in 1985, demand for machinery could drop slightly from the 1984 level.

No dramatic changes in fertilizer consumption, supplies, or prices are anticipated in 1984/85. A leveling off of crop acreage and small increases in application rates will keep plant nutrient use close to a year earlier.



Agricultural Economy

The United States, the Soviet Union, and the European Community (EC), dominate the global agricultural outlook. U.S. crop output is expanding about one-fourth from last year's sharply reduced level. Increased acreage and better yields account for the rise, following the worst drought in 50 years and a record 78 million acres diverted to conservation uses in 1983. Meanwhile, the U.S. livestock industry is still adjusting to last year's record meat production and higher feed prices. Year-to-year increases in pork production are not expected until the second half of 1985.

In the Soviet Union, poor weather is reducing grain production about a tenth, the sixth consecutive year of disappointing output. Soviet livestock inventories are at record or near-record levels, and the Soviets are attempting to maintain meat output by record grain imports.

Grain production in the EC is up one-fifth, with wheat production one-fourth larger. Favorable weather and higher yielding varieties boosted output.

Crop Production on the Rise

Except for wheat, global crop output is increasing sharply, as U.S. crops recover from last year and foreign cotton and soybean outturns continue to expand.

Although not increasing sharply, world wheat production is above last year's record, even with reduced crops indicated for Canada, Australia, and Argentina. The crop in the EC is much larger.

World coarse grain production reflects sharp increases in U.S. acreage and yields. Production abroad is up slightly from a year earlier; a large EC barley crop has offset the decline in Soviet coarse grain production.

A significant expansion in soybean production is in response to the large U.S. crop and the likelihood of some yield improvement in Brazil. Area may expand in Argentina, but a decline in yields from last year's high will likely mean a little smaller crop.

A large U.S. crop is helping push up global cotton production. Better crops are also likely to be harvested in Pakistan and Mexico, with another record probable in China.

Economic Recovery Helps Consumption and Trade

The pace of world economic growth has picked up from a year ago and should remain relatively high in 1985. Expanded economic activity in the industrialized countries has helped to improve conditions in less-developed countries. U.S. economic growth has been particularly strong, so our agricultural imports are up about 15 percent. Still, some less-developed countries have debt problems, which likely will continue to dampen their farm imports.

World meat production may show a slight rise in 1985, as poultry output increases in several countries. In addition, better returns to cattle and hog producers should mean higher feeding rates.

The strong dollar will likely continue to cut the U.S. share of some countries' imports. The dollar has shown renewed strength in recent weeks, reflecting attractive interest rates and a "safe" investment. The dollar's effects can be seen, for example, in soybean prices. Since early 1980, the apprecia-

tion of the dollar in relation to major European currencies has caused the price of U.S. soybeans to almost double. The U.S. farm price, however, has increased only a tenth.

For 1985, larger supplies, lower prices, expanded economic activity, and a little higher livestock feed use should mean at least modest increases in crop consumption and trade.

World wheat trade may be only barely higher, even with Soviet imports, but U.S. exports should benefit from reduced crops in several other exporting countries. Competition from the EC depends on the price of the Community's wheat and whether self-imposed restraints are maintained in light of large crops.

With large Soviet imports, feed grain trade is expected to increase in 1984/85. U.S. exports should benefit from the expansion. Soybean exports also are expected to show a modest rise, with an increase in U.S. prospects. On the other hand, Argentine exports may slip as that country moves toward greater product shipments.

For cotton, expanded exports from U.S. competitors should mean a little larger trade total in the coming year. U.S. exports will fall as available foreign supplies expand.

USSR and China Play Major Roles

Soviet grain imports hit records in the early 1980's, and net imports have accounted for about a fifth of domestic use, up from around 5 percent in the early 1970's. The share of Soviet imports from the United States fell sharply in 1980, but has recovered somewhat recently.

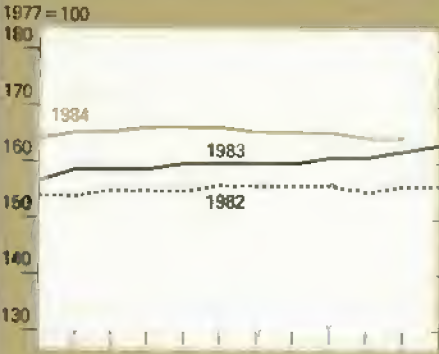
China's grain imports and their share of domestic use have trended downward in recent years. Increased production and greater self-sufficiency for both grains and cotton have led to reduced imports.

THE U.S. OUTLOOK

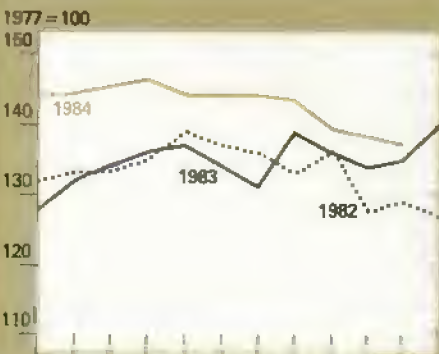
The U.S. crop outlook points to larger supplies of feed grains, soybeans, and cotton. Better livestock returns should mean higher feeding rates in the coming months. Except for cotton, export markets for these crops should be a little larger in 1984/85.

Prime Indicators of the Agricultural Economy

Prices paid by farmers¹



Prices received by farmers²



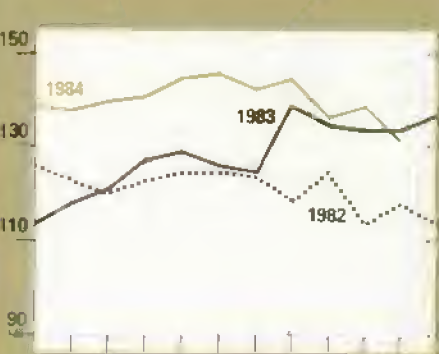
Ratio of prices received to prices paid



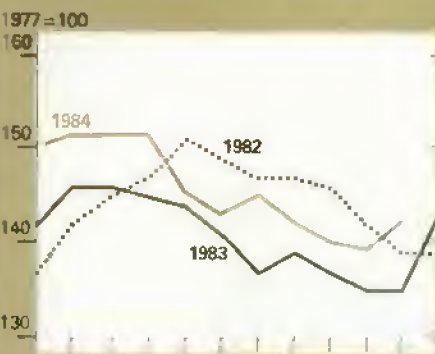
Fertilizer prices



All crops



Livestock and products



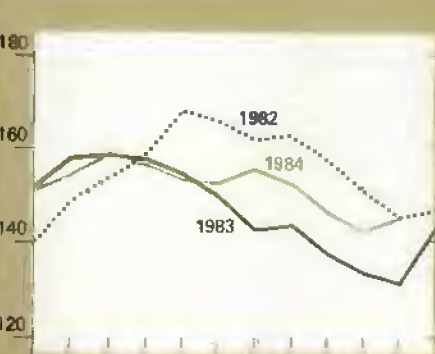
Agricultural chemicals



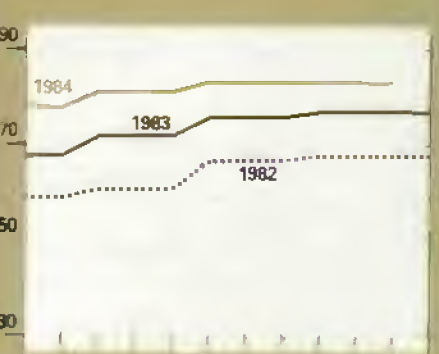
Food grains



Meat animals



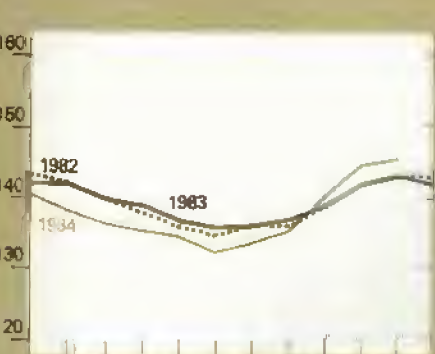
Tractors and self-propelled machinery



Feed grains and hay



Dairy products



¹For commodities and services, interest, taxes, and wages.

²For all farm products.

The overall volume of U.S. farm exports should rise in fiscal 1985, after declining for 4 straight years. However, lower prices may keep the value at about \$36.5 billion, below fiscal 1984's \$38 billion. U.S. grain exports to the Soviet Union will likely be high.

Livestock and Poultry Production
U.S. meat and poultry production remained large during the second half of 1984, reflecting larger broiler and beef production. Total output in 1985 could decline slightly, as smaller beef output offsets larger broiler production. A little smaller meat supply and rising consumer incomes could mean higher average livestock prices for 1985.

Farm Income May Double
Net farm income in 1984 may nearly double 1983's \$16 billion, which was cut by drought-reduced crops and depressed livestock prices. But much of the gain in income will come from an increase of \$7 to \$11 billion in the value of inventories, primarily crops.

The rise in production expenses will more than offset the increase in marketing receipts, so net cash income may total \$34 to \$38 billion, below 1983's record \$40 billion.

Review of 1984 Programs
Producers removed about 30 million acres from crop production in 1984, down from 1983's record 78 million. Farmer participation for each crop dropped from 1983, with a PIK program in effect for wheat only.

Harvested acreage plus acreage put to soil-conserving uses totaled about 291 million in 1984, below 1983's 298 million. About 40 million acres came back into production.

Price support outlays dropped sharply in fiscal 1984, to around \$6.5 billion, compared with nearly \$19 billion in 1983. Loans fell from around \$13.5 billion in 1983 to \$6 billion in 1984.

1985 Farm Legislation
USDA is gathering views about farm programs for the remainder of the 1980's. The 1985 farm legislation must take into account expanded global production in the face of slowed demand. Therefore, the need for adjustments in farm programs and trade policy for both the United States and other coun-

tries will be examined when looking for solutions to agricultural problems, particularly the one of larger production capacity in relation to market demand. [James Donald (202) 447-8651]

LIVESTOCK HIGHLIGHTS

• **Cattle**
The inventory of all cattle and calves on January 1, 1985, is expected to show a continued decline, perhaps down 2 to 3 percent. The breeding herd continues to erode. On July 1, beef cows totaled 38.5 million head, down 1 percent from last year and 4 percent from 2 years earlier. Cow slaughter for 1984 is projected to be about 12 percent more than last year, while the number of beef replacement heifers on July 1 was down 5 percent. So, the trend in declining cattle inventories will likely continue in 1985, the third consecutive year.

Cow slaughter is expected to drop sharply in 1985, as the new grazing season approaches. A lower inventory, higher cattle prices, and improved forage conditions should result in sharply lower slaughter. In addition, nonfed steer and heifer slaughter should also decline sharply from 1984, as demand remains strong for the reduced feeder cattle supply. However, nonfed slaughter could exceed current expectations if financial problems on crop/livestock operations continue to warrant further herd reductions to generate cash for spring planting.

The supply of feeder cattle outside feedlots on October 1 was down 3 percent from last year. Calves, which represented 82 percent of the supply, were down 2 percent, while yearling supplies were down 7 percent. The lower feeder cattle supplies were due largely to a declining calf crop and continued larger feedlot placements. Sharply lower grain prices and good prices for Choice fed steers will probably encourage larger placements of lighter weight feeder cattle in 1985. The already lower feeder cattle supply will get even tighter because of increased placements, a smaller calf crop, and perhaps some modest retention of heifers late in the year. Retention of heifers to expand breeding

herds, of course, depends on the strengthening of feeder cattle prices, as well as forage conditions.

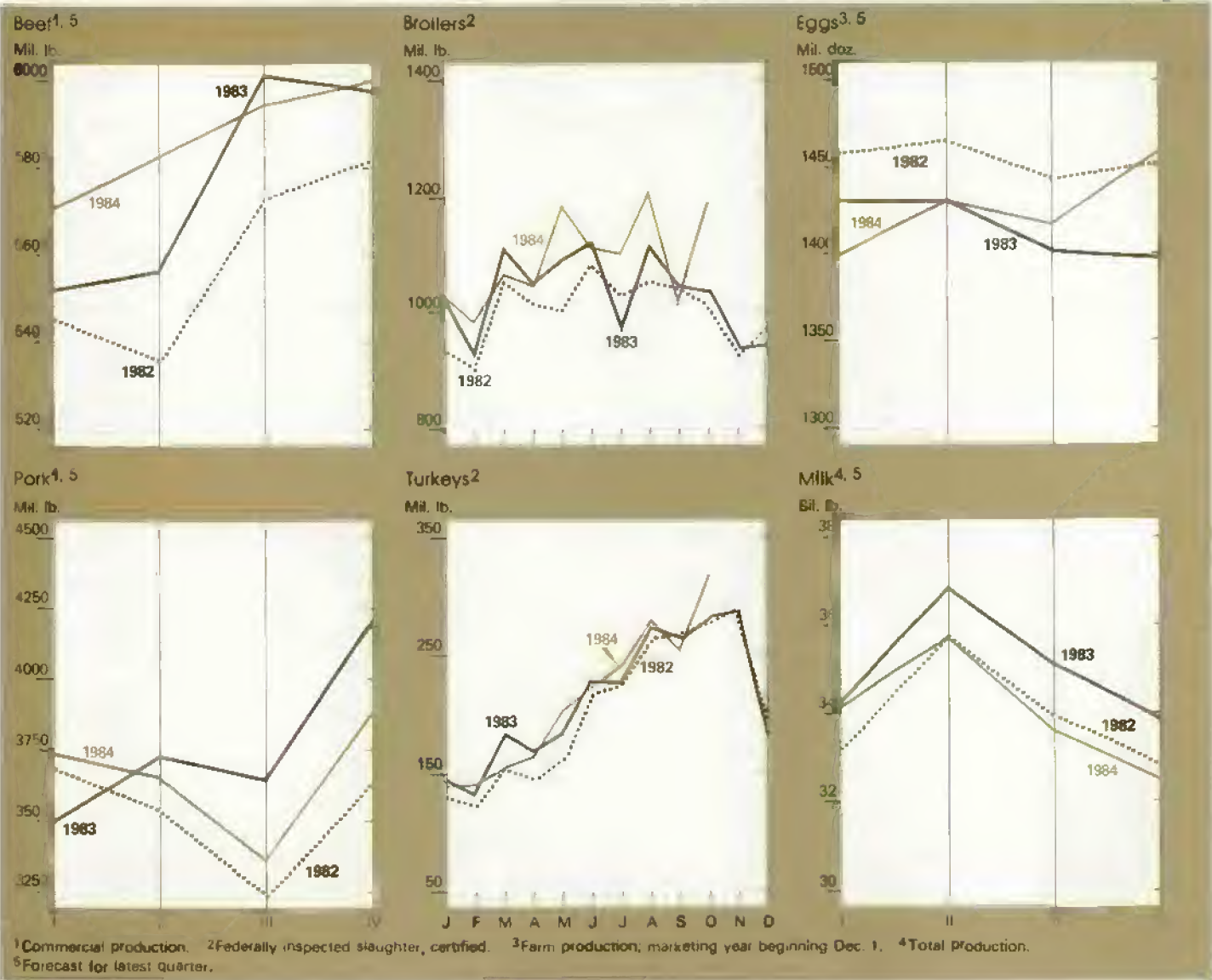
The October 1 *Cattle on Feed* report indicated a 6-percent rise in the number of cattle on feed compared with a year earlier. Placements during the third quarter rose 12 percent from a year earlier, with heifers accounting for most of the increase. The largest share of those heifers placed on feed may have been earmarked in July for herd replacements, but were sold later in the year because of lack of forage or the need to generate cash. These heavier heifers will likely be marketed in the last part of fourth-quarter 1984 through first-quarter 1985.

In the fourth quarter, nonfed slaughter likely declined from last year, while fed slaughter probably rose moderately. For that quarter, commercial beef production may have increased slightly from 1983. For all of 1984, commercial beef production was expected to be about 2 percent more than a year ago.

Beef production in 1985 may decline 3 to 4 percent from 1984. Because fed beef production will likely increase moderately, the decrease in total beef output will result from a sharp decline in cow slaughter, particularly beginning in late winter, and lower nonfed steer and heifer slaughter. Fed cattle marketings as a portion of total slaughter are expected to increase, which should raise average dressed weights.

After averaging just over \$60 per cwt in October, Choice fed steer prices strengthened through November and averaged almost \$64 for that month. Prices probably averaged in the mid-\$60's during December because meat supplies will remain large. As beef production declines during the first half of 1985, Choice steer prices should strengthen to about \$68 to \$70 by spring, then decline seasonally and averaged \$65 to \$69 per cwt for the year.

Feeder cattle prices during October averaged about \$65 at Kansas City. Prices strengthened during November and probably averaged about \$65 per cwt in 1984. As feeders compete for shorter supplies of cattle, feeder cattle prices should improve and peak in the lower \$70's by next spring. The 1985 average price for feeder cattle should be \$67 to \$71 per cwt. [John Nalivka (202) 447-8638]



• **Hogs**

With only 2 months of farrow-to-finish returns above breakeven over the past year, producers continue to cut back production. The *September Hogs and Pigs* report confirmed that the cutback continued through summer. Hog prices averaged less than previously expected, but feed costs moderated in the summer.

Commercial hog slaughter in the fourth quarter was likely 22.4 million head, down 8 percent from a year ago. Fall hog slaughter is largely drawn from the inventory of market hogs weighing 60 to 179 pounds on September 1, which was down 8 percent.

The average fourth-quarter dressed weight will probably be about the same as last year's 173 pounds. So, commercial pork production was expected to total 3,875 million pounds in the fourth quarter, down 8 percent from a year earlier.

Commercial slaughter in first-quarter 1985 is projected at 21 million head, 3 to 5 percent below a year earlier. Even though the September 1 inventory of market hogs weighing under 60 pounds suggests a slightly lower number, the projected slaughter is in line with the 4 percent smaller June-

August pig crop. Lower feed costs may encourage producers to feed hogs to heavier weights. As a result, the average dressed weight may rise 1 to 3 pounds from last year's 171. Commercial pork production may total 3,625 million pounds, down 3 percent from 1984.

Spring slaughter is drawn from the September-November pig crop. If producers follow their September 1 intentions and the number of pigs per litter remains as large as during June-August, the September-November pig crop would be only 2 to 3 percent below a year ago. Although feed costs have moderated, average dressed

weights next spring are likely to drop 1 to 3 pounds below the heavier 1984 average. Consequently, second-quarter production may total 3,600 million pounds, down 2 percent from a year earlier.

Commercial production in second-half 1985 is expected to total about 7.35 million pounds, up 2 percent from 1984. With output declines in the first half of 1985 followed by increases in the second half, commercial pork production for 1985 may total about 14.6 billion pounds, about the same as 1984.

Prices in fourth-quarter 1984 were expected to average \$47 to \$48 per cwt, compared with \$42 last year. Most of the increase was due to lower pork supplies, with some support from tighter turkey supplies during the holidays. Sharply higher turkey prices made hams more attractive.

Prices in first-quarter 1985 are expected to average \$48 to \$52 per cwt, compared with \$48 in 1984. Moderately lower beef production and a continued favorable economy will be price-strengthening factors, but rising broiler output will be a weakening factor.

In second-quarter 1985, hog prices may average \$49 to \$53 per cwt, compared with \$49 a year ago. In addition, nonfed steer, heifer, and cow slaughter will be down sharply, helping to support prices for pork that is used in processed meats.

Hog prices in the second half of the year are likely to average in the lower \$50's, with prices peaking in the summer. A moderate price decline is likely in the fall because of seasonal production rises and an expected larger pig crop in second-quarter 1985. Expected lower nonfed beef supplies and smaller cold storage stocks will support prices, but continued high poultry production will exert downward pressure.

Retail pork prices in 1984 are expected to decline about 4 percent from 1983's \$1.70 a pound. The 1985 farm-to-retail spread may rise from the 1984 low, averaging near 1983. Retail pork prices for 1985 are expected to be 4 to 7 percent higher than in 1984, but still

may be lower than 1982's \$1.75 a pound. [Leland Southard (202) 447-8636]

•Lamb and Mutton

After increasing for 4 years, 1984 commercial lamb and mutton production likely was the same as in 1983. Production was placed at 366 million pounds for the year.

Extreme drought in the Edwards Plateau of Texas over the past 2 years caused a sharp liquidation of the breeding herd. Before the drought, this region accounted for about a fifth of U.S. sheep production. However, forage conditions have improved this fall.

In 1985, production is expected to total about 320 million pounds, down 12 percent from 1984. The decline in production results from the 1983-84 herd liquidation and some possible retention of ewe lambs in 1985.

Choice lamb prices at San Angelo likely averaged about \$63 per cwt in 1984, compared with \$58 in 1983. In 1985, choice lamb prices are expected to average \$63 to \$69 per cwt. In second-quarter 1985, lamb prices may average the highest for the year—the high \$60's to low \$70's per cwt—but may stay in the mid-\$60's the rest of the year. [Leland Southard (202) 447-8636]

•Broilers

The number of chicks placed for slaughter during the fourth quarter was 6 percent larger than last year. If average slaughter weights continued above last year, broiler meat output in the fourth quarter likely was 8 to 10 percent above the 2,917 million pounds produced in 1983.

With red meat supplies expected to be below last year early in 1985, broiler producers are likely to expand production. Output during the first half of 1985 may be up 4 to 6 percent from this year. Broiler meat output will continue high in second-half 1985 but year-over-year increases will be less because of extra output in 1984. Profits this year will also contribute to greater production in 1985.

The wholesale price of broilers in 12 cities during 1984 declined compared with 1983, as production expanded

from last year. During November 1984, prices averaged 52 cents a pound, down from 58 cents in 1983. Prices averaged 49 to 50 cents a pound for the fourth quarter, down from 55 cents a year ago.

Expanded broiler production during 1985 will likely weaken prices from this year's levels. However, increased demand, especially from the fast food sector, and reduced competing supplies of meats are expected to hold 1985 prices near 49 to 53 cents a pound, down from 55 to 56 cents this year. [Allen Baker (202) 447-8636]

•Turkeys

The output of turkey meat from federally inspected plants during January-September 1984 totaled 1,796 million pounds, 8 million less than in 1983. The number of turkeys slaughtered was down 2 percent, but the average live weight was up 2 percent. Based on the number of turkey poulters placed that could be slaughtered in the fourth quarter, output for the quarter was likely 1 percent below the 750 million pounds produced in fourth-quarter 1983.

Stocks of whole turkey and parts at the beginning of the fourth quarter were 10 percent below the 432 million pounds of a year earlier. With less production in the fourth quarter, total ending stocks for the year probably remained below last year's level. During 1985, stocks are likely to build and return to the 1982 level.

Turkey producers are likely to expand output sharply in 1985. Prospects of lower feed costs, smaller supplies of red meats, and favorable returns in second-half 1984 will likely encourage more production. Production of turkey meat in federally inspected plants is expected to increase 10 to 12 percent in first-half 1985 and 6 to 8 percent in the second half of the year.

In first-half 1984, prices of 8- to 16-pound hen turkeys in New York averaged 67 cents a pound, about 11 cents above last year. As wholesalers realized that producers were not increasing production relative to last year, prices began to inch up, and in the third quarter, they averaged 72 cents; up from 60 cents a year earlier. During the fourth quarter, prices strengthened and may have averaged 86 to 88 cents, up from 69 cents a year earlier.

Even with increased production, prices will likely remain relatively strong in first-half 1985, averaging 70 to 75 cents a pound, up from 67 cents in 1984. If red meat supplies increase in the second half of 1985, prices may average 65 to 69 cents, down from 79 to 80 this year. [Allen Baker (202) 447-8636]

• Eggs

During fourth-quarter 1984, egg production likely increased 2 to 4 percent from the 1,419 million dozen produced last year. During first-quarter 1984, planned cutbacks in laying flocks and avian influenza reduced production and boosted prices sharply, resulting in large orders for chicks. The delayed impact of these decisions increased fourth-quarter replacement pullets about 25 percent from a year earlier.

These extra pullets are increasing egg production and probably will continue to do so through first-half 1985. If prices are too weak, older hens may be sold next year. During first-half 1985, egg production may be 2 to 4 percent above a year earlier. In the second half, low returns may hold output gains equal to or 2 percent above 1984.

During fourth-quarter 1984, egg prices probably averaged 69 to 70 cents a dozen, down from 91 cents last year. With continued large supplies of eggs in first-half 1985, prices may average 64 to 69 cents a dozen, down from 93 cents a year earlier. If production increases slow in the second half of 1985, prices may average 69 to 73 cents, up from 67 to 70 in 1984. [Allen Baker (202) 447-8636]

• Dairy

Farm prices for all milk during January-November averaged \$13.35 per cwt, 20 cents below a year earlier. September-November prices were about 17 cents above a year earlier, but the annual average will probably be about 20 cents below 1983's \$13.57 per cwt. This winter, the all-milk price is expected to remain above a year earlier, but, assuming lower support prices on April 1 and July 1, it will likely move below a year earlier during spring. The all-milk price for 1985 may average 35 to 70 cents lower than in 1984. The effective price may be unchanged to 35 cents lower, because the 50-cent-per-cwt deductions stop at the end of March.

With lower corn and soybean meal prices through mid-1985, the cost of 16-percent protein dairy ration will likely remain lower than a year earlier, at least until next summer. Meanwhile, milk prices, which are higher now, are expected to fall below a year earlier by spring. As a result the milk/feed price ratio will likely be higher than a year earlier during first-half 1985 and lower during the second half.

Commercial disappearance of all milk and dairy products, on a milk-equivalent, fat-solids basis, during the third quarter of 1984 was up a healthy 1.8 percent, following a strong first-half gain of 4.2 percent. For January-September, commercial disappearance was up 3.1 billion pounds, 3.4 percent. Commercial sales responded strongly to the robust economy, and for all of 1984, use was likely up 2.5 percent. However, some additional gains may have occurred because of larger per capita incomes and the national dairy product promotion program. In 1985, commercial disappearance of all dairy products is projected to be up 1 to 4 percent.

A comparison of January-September commercial sales of major dairy products with sales a year earlier shows that butter was up 7 percent, American-type cheese 12 percent, cheeses other than American types 7 percent, frozen dairy products 0.4 percent, fluid products 1 percent, and nonfat dry milk 19 percent. Meanwhile, canned milk was down 11 percent.

Milk-equivalent stocks (fat-solids basis) held by the Commodity Credit Corporation (CCC) on October 1 were 15.6 billion pounds, a decrease of 3.5 billion (18.5 percent) from a year earlier. Meanwhile, stocks held by the trade on October 1, at 5.2 billion pounds, were unchanged from last year. Government-owned stocks have declined since June because CCC program use was larger than net removals from the market. For 1984, CCC net purchases were expected to total about 8.5 billion pounds, compared with 16.8 billion in 1983. In 1985, CCC net purchases are projected to remain about unchanged.

The dairy cow herd during October 1984 was 332,000 head below the November 1983 peak, a drop of about 3 percent. Additional declines may have occurred this fall and winter; therefore, the annual average for 1984 was probably about 2.4 percent below 1983.

The dairy herd is forecast to start 1985 about 3 percent below 1984. The number of cows on farms may increase as the diversion program ends, but gains could be limited because of lower milk support prices. For 1985, the average number of cows is projected to be 1 to 2 percent below this year.

Total cow milk production for the 38 major producing countries was expected to decline slightly (0.3 percent) in 1984. Government programs to reduce milk production in the European Community (EC) and the United States were largely responsible for the drop in world output this year. Sharp increases in Oceania were more than offset by the declines in the United States and the EC.

The outlook for 1985 is for world milk output to be about unchanged from 1984. More milk is projected for the Soviet Union, India, and the United States. The EC is expected to again reduce production.

The decline in world milk supplies in 1984 caused butter and nonfat dry milk production to drop 2 and 7 percent, respectively. World cheese production was up about 1 percent, but well below the year-to-year gains of recent years. The outlook for 1985 is for butter and nonfat dry milk output to again decline, while cheese production should again rise about 1 percent.

World trade in dairy products increased in 1984 and is likely to rise again in 1985, particularly for butter and cheese. However, dairy product prices in international markets continued weak throughout 1984 and may show little, if any, gain in 1985 because more than ample supplies of all dairy products will be available. [Cliff Carmen (202) 447-8636 and Bill Paddock (202) 447-1347]

CROP HIGHLIGHTS

• Wheat

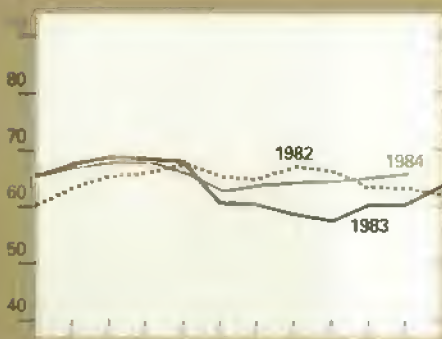
The 1984 U.S. wheat crop totals 2.57 billion bushels, the third largest on record and a 6-percent increase from

Commodity Market Prices: Monthly Update

Choice steers¹



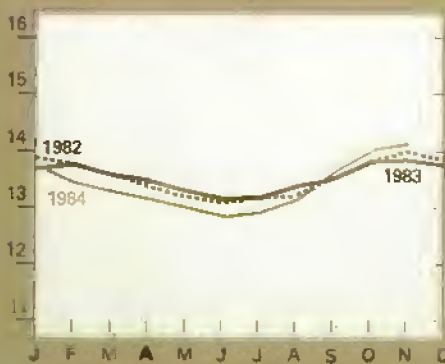
Choice feeder cattle²



Barrows and gilts³

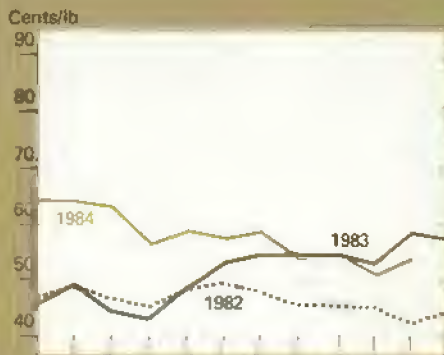


All milk

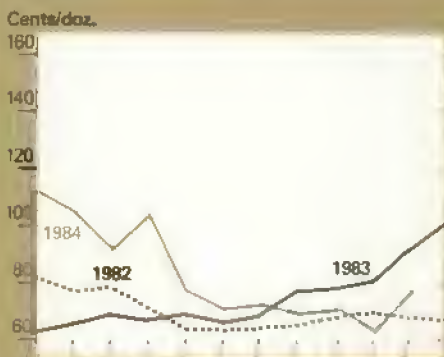


Prices for most recent month are mid-month prices.
¹Omaha. ²600-700 lbs., Kansas City. ³7 markets.

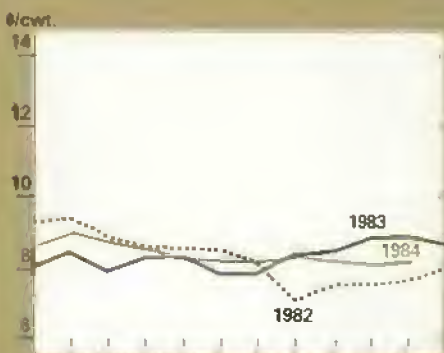
Broilers⁴



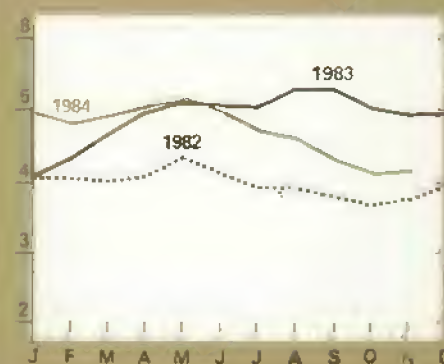
Eggs⁵



Rice (rough)

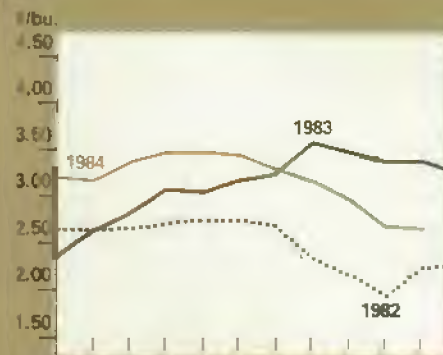


Sorghum grain

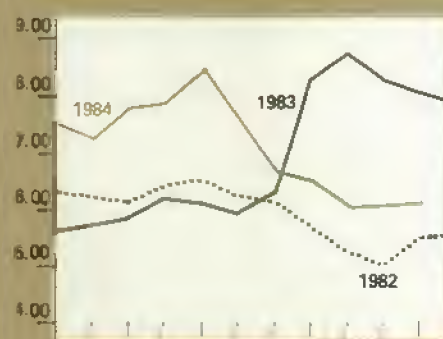


⁴Wholesale, New York. ⁵Grade A Large, New York.

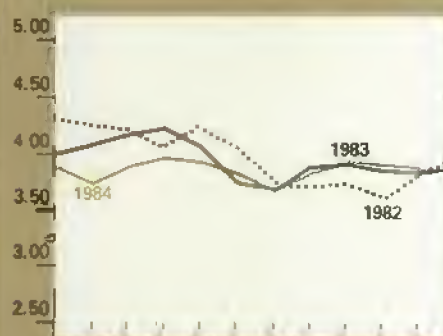
Corn⁶



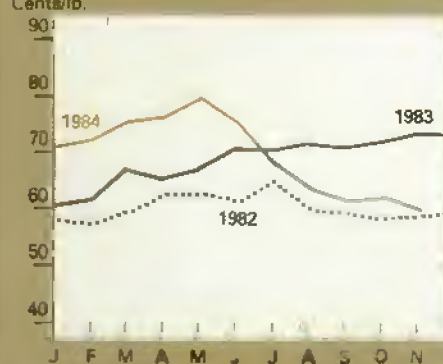
Soybeans⁷



Wheat⁸



Cotton⁹



⁶No. 2 Yellow, Chicago. ⁷No. 1 Yellow, Chicago.
⁸No. 1 HRW, Kansas City.
⁹Average spot market, SLM, 1-18."

1983's output. The upturn was partly due to reduced participation in the 1984 acreage adjustment program. In addition, generally good weather produced above-average yields—only six-tenths of a bushel under the alltime-high 39.4 bushels an acre established in 1983.

The large crop held wheat supplies at a record high, just under 4 billion bushels. However, strong exports early in the season indicate that disappearance of U.S. wheat in 1984/85 could be just under the record set in 1981/82. The export pace during June-September was a third above a year ago, and for this season, exports are forecast to rise 7 percent from 1983/84. A record 785 million bushels of Hard Red Winter wheat could be sent overseas.

Also encouraging is the forecast of heavy domestic use of wheat as live-stock feed. While not as high as in 1983, wheat feed use expanded early in the season. By June 1, 1985, wheat stocks may be down for the second straight season.

World wheat production in 1984/85 is projected to exceed 500 million tons for the first time in history. The area devoted to wheat is the fifth largest on record, with average yields at an all-time high.

The combined wheat area of Argentina, Australia, Canada, the European Community (EC), and the United States—suppliers of roughly 95 percent of the world's exports—was basically unchanged from 1983/84. High guaranteed farm prices resulted in continued expansion in EC wheat area. In contrast, poor planting and growing conditions reduced harvested area in Australia, Argentina, and Canada.

World wheat use in 1984/85 is expected to break the 500-million-ton mark. Total use would be about 15 million tons above last year and close to the world 1984/85 wheat outturn.

Over half of this year's increase in world wheat use will be in the feed category. Use of wheat for feed is projected at an alltime-high 98 million tons, about 10 percent above a year earlier. The EC and Soviet Union are both expected to feed more wheat.

World wheat trade is projected at a record 106 million tons for 1984/85, up significantly from the past 3 seasons, when trade appeared to have plateaued at around 100 million tons. The driving force behind this year's record trade is a surge in projected Soviet imports, to a record 26 million tons, a fourth above last year's large purchases. Other areas of the world, including North Africa and the Middle East, are also increasing their imports. The United States, the world's major wheat exporter, is expected to capture a significant share of the growth in these markets.

World wheat stocks are projected at over 100 million tons for the second consecutive year. At nearly 105 million tons, wheat stocks at the end of the 1984/85 would be equivalent to 21 percent of use, or slightly above the average stocks-to-use ratio of the past decade. The United States is expected to continue to hold around 40 percent of the world's stocks. Canada, Australia, and the EC will account for more than 30 percent. *(Allen Schienbein (202) 447-8444 and Frank Gomme (202) 447-6460)*

• Rice

The big bonus in 1984/85 rice yields (the result of good weather and high-yielding varieties) is likely to wind up in Commodity Credit Corporation storage.

In the face of these dramatic yield increases, U.S. rice exports continue to weaken. Forecasts for 1984/85 exports call for a decline to 64 million cwt—nearly 9 percent less than in 1983/84. A very slight decline in domestic use is also forecast.

An anticipated carryover of 64 million cwt could push average farm prices to \$8 to \$8.75 per cwt, below 1983/84's average \$8.79. Just about half of this season's expected carryover may be long grain rice, reversing a long-term trend of tight long grain stocks and huge medium grain holdings. The main reason for the jump in long grain stocks is not flagging use, but a switch to the semi-dwarf long grain varieties. Their success gave Texas an unprecedented average yield of 5,100 pounds an acre this year.

Strong participation in the 1985 rice program is likely. The program calls for a 20-percent acreage reduction and 15-percent cash diversion. But with

the South rapidly adopting the high-yielding varieties, even high participation won't drop production significantly. All of Texas could be planted to Lemont, promising that State's producers another record-setting year for yields.

World rice production in 1984/85 is forecast at 313 million tons (459 million rough basis), the fifth consecutive record crop. Among the major exporters, China's production is forecast to be up sharply; crops in Burma and Pakistan may be unchanged or show a slight increase; and Thailand is projected to see a significant decline. U.S. milled production will rebound to 4.5 million tons (6.4 million rough basis) in 1984/85, following a much reduced outturn in 1983/84.

On the import side, record crops are expected in Brazil, Indonesia, and the Republic of Korea. In Bangladesh, production is forecast to be down from last year's record, and India will also record a significant decline after a record crop in 1983/84.

Ending stocks are projected to increase in 1984/85, primarily reflecting stock building in India, Indonesia, Japan, and the United States. Ending stocks for the rest of the world will continue to fall as economic conditions inhibit imports by developing countries and force further reductions in domestic stocks.

World trade is projected to fall sharply during 1984/85. Good crops in many countries—Indonesia and the Republic of Korea in particular—coupled with poor economic conditions in several other markets, most notably Nigeria, will hold world trade far below a year earlier. Despite a projected smaller crop, Thailand is expected to continue to be an aggressive exporter; shipments should reach at least 3.9 million tons. *(Barbara C. Stucker (202) 447-8444 and Frank Gomme (202) 447-6460)*

• Feed Grains

Total U.S. feed grain supplies for 1984/85 are 13 percent larger than last season. An increase in harvested area and higher yields boosted production 71 percent from a year earlier, but smaller beginning stocks offset much of the increase. Grain use is expected

to rise this season, as exports could increase 10 percent and feed use 7 percent. Stocks will build, but will remain well below the burdensome levels of 1981/82 and 1982/83.

The 1984 U.S. corn crop is estimated at 7.53 billion bushels, up from last year's unusually small 4.17 billion. Stocks on October 1 were 722 million bushels, the smallest in 8 years. The total corn supply for 1984/85 is 8.25 billion bushels, a 13-percent gain from last season. Farm prices could average \$2.70 a bushel, compared with \$3.20 last season.

Feed and residual use of corn in 1983/84 was an estimated 3.73 billion bushels, the smallest since 1976/77. Although the composite number of animals fed was about unchanged from the previous two seasons, tight live-stock feeding margins and low wheat prices cut the corn feeding rate substantially. Lower corn prices should boost the feeding rate this season, and feed use is forecast at 4 billion bushels.

U.S. corn exports totaled 1.87 billion bushels in 1983/84, virtually unchanged from 1982/83, but 19 percent below the 1979/80 peak. For 1984/85, exports are likely to be around 2.08 billion bushels, mainly because of heavy Soviet buying. The USSR took about one-seventh of U.S. corn exports last season; that share could reach one-fourth this year.

Corn stocks could top 1.1 billion bushels next October 1, with most of the increase in free stocks. Consequently, the farm price for 1984/85 is expected to average between \$2.60 and \$2.85 a bushel, down from \$3.20 a year earlier.

This year's sorghum crop is estimated at 813 million bushels, a 70-percent increase from 1983. Stocks on October 1 were 250 million bushels, 150 million below a year earlier. Thus, the sorghum supply for 1984/85 is 1.06 billion bushels, a fifth more than last season.

Feed and residual use of sorghum dropped more than 25 percent in 1983/84, as wheat was lower priced on a feed-value basis for most of the season. Feed use should rebound this season, as sorghum becomes more price

competitive with wheat, and as the number of cattle on feed is expected to be up in the Southern Plains. Nevertheless, stocks will be substantially higher at the end of the season, topping 350 million bushels. As a result, farm prices will be lower, averaging between \$2.35 and \$2.50 a bushel. For 1983/84, the average farm price was \$2.75.

The barley supply for 1984/85 is an alltime-high, while the oat supply is one of the smallest on record. Farm prices for barley are expected to average between \$2.30 and \$2.40 a bushel, compared with \$2.50 in 1983/84. Feed use of oats will be much lower this season because of the small supply. Farm prices are expected to average between \$1.60 and \$1.80 a bushel, compared with \$1.69 last season.

Participation in the 10-percent feed grain acreage reduction program for 1985 crops should generally match or exceed the 1984 rate for a similar program. During the enrollment period for the 1984 program, farm prices generally exceeded target prices. This year, the reverse is true, providing growers a substantial incentive to seek target price protection. At this time, conditions point to only minor changes in total feed grain acreage compared with 1984.

World coarse grain output in 1984/85 is forecast to set a record, but to rise only 1.4 percent above 1982/83. However, production may be more than 14 percent above 1983/84's depressed level.

Major foreign exporters as a group are realizing production increases in 1984/85, as are some other countries that would fall into neither the major exporter nor major importer categories. Of this latter group, China is the biggest contributor to the increases. China has seen an almost 3-million-ton rise in total coarse grains this year, mostly corn, after a 9-million-ton increase last year. Major importers as a group may have a more than 1-percent drop in output, despite a huge increase forecast for the EC. The 1-percent decrease is due to a 20-percent plunge in expected Soviet output.

Global feed use of coarse grains dropped last year largely because of a decline in U.S. use. Nevertheless, use

in 1984/85 is expected to pick up to its third highest level. In contrast, foreign feed use grew 1.5 percent last year and is forecast to rise only marginally this year.

Global trade will likely be up sharply this year, following sizable declines in 1981/82 and 1982/83 and near stagnation in 1983/84. World trade on an October-September year (excluding intra-EC trade) is expected to reach almost 100 million tons, the second highest ever.

World ending stocks are forecast to increase in 1984/85, but be relatively low, with an 11.2 percent stock-to-use ratio likely. This is lower than all but 4 of the last 25 years. However, the long-term outlook may be one of larger coarse grain supplies and increased competition from other countries and other grains. [Sam Evans (202) 447-8444 and Eileen Manfredi (202) 447-9805]

•Oilseeds

Exceptionally cool, wet weather has hampered the soybean harvest through most of the Midwest and Delta. As of November 25, the harvest was 86 percent complete in the 18 major soybean-producing States. For this time period, the average is 94 percent. The 1984 crop is placed at 1,902 million bushels, down from the 1,972 million estimated in October.

The decline in production is not expected to have much impact on 1984/85 prices because of lagging export demand. As a result, soybean prices are projected to average \$6.50 a bushel this year, down \$1.25 from 1983/84.

Through November 22, U.S. soybean exports totaled 3.8 million metric tons, compared with 5.2 million by the same date in 1983. Large supplies from U.S. competitors and the strong dollar are hurting this year's sales. Nevertheless, with U.S. supplies ample and world demand somewhat improved, U.S. soybean exports for 1984/85 are forecast up 5 percent, but still well below 1982/83. Strong Argentine and Brazilian exports during 1983/84 eroded the U.S. share of world soybean trade to less than four-fifths, and only a small recovery is expected in 1984/85.

Strong export demand for soybean oil, but lagging meal demand, both foreign

and domestic, leave the crush outlook unchanged from earlier projections. An estimated 1 billion bushels of soybeans will likely be crushed in 1984/85. Recovery in domestic livestock feeding is a prerequisite to a rebound in soybean meal prices. Moreover, a pickup in foreign meal demand is critical for much higher prices.

Record world oilseed production is expected in 1984/85, 11 percent above a year earlier. Much of the gain stems from larger planted area and improved yields in the United States—up 7 and 9 percent, respectively. Also, last year's tight supplies and high prices have led to increased plantings in many other countries. Area planted to the major oilseeds (excluding tree crops) in foreign countries is up 3 percent. Combined with an 18-percent gain in yields, foreign output should rise 8.8 million tons from the 1983/84 record.

Cottonseed production, led by increases in China, is about 5.8 million tons larger than in 1983/84. China's crop will dramatically exceed last year's record because of larger area and good weather. The U.S. outturn may increase 2 million tons.

Rapeseed output may reach a record, with large gains in Canada and Europe. Canada's strong rapeseed demand in 1983/84 promoted a 25-percent increase in area, but dry weather reduced yields. Most of the expected production increase will be in Europe this year. The higher European outturn will largely be due to increased yields. Foreign sunflowerseed production should rise 1.4 million tons because of larger plantings in Argentina and Western Europe and higher yields in Spain and Eastern Europe.

World soybean production, estimated at 90.2 million tons, will show a sharp recovery from 1983/84's reduced output. Nearly 90 percent of the 8.3-million-ton gain will be in the United States. Despite Brazil's new financial regulations and scarce credit, which are expected to reduce soybean plantings, favorable soybean prices relative to corn may limit the decline. In Argentina, average yields could reduce output despite larger area. (Roger Hoskin (202) 447-8776 and Jan Lipson (202) 447-8855)

•Peanuts

As the peanut harvest nears completion in all areas except the Southwest, the forecast for this year's record crop

continues to be revised upward. The latest forecast puts production at 4.4 billion pounds, up 34 percent from last year and 11 percent from the previous high in 1981. The estimated average yield of 2.883 pounds an acre is 7 percent higher than the previous record of 2,693 pounds in 1982.

The Southeast peanut growing area is expected to account for 70 percent of production, with Georgia contributing nearly 50 percent of the national total. Production in the Southeast and Virginia-Carolina areas is up more than 30 percent from last year. Production in the Southwest is expected to be up about 5 percent, as increases in Oklahoma and New Mexico offset a slight decline in Texas. (Duane Hacklander (202) 447-8776)

•Cotton

Since 1970/71, total disappearance of U.S. cotton averaged 12 million bales, with no apparent trend either up or down. However, use in 1984/85 is forecast to reach only 11.6 million bales, and there may be no rebound in 1985/86. Mill use is declining, both because economic growth has slowed since the second quarter and because textile imports are gaining a greater share of U.S. retail sales.

Exports will hold up pretty well this season. During the past 10 years, U.S. exports averaged 5.7 million bales; exports in 1984/85 are forecast at 6.3 million. However, the future is not bright because of rising foreign competition.

As of December 1, the U.S. cotton crop was forecast at 13.4 million bales, up from last year's 7.8 million. Even if the crop does not meet expectations, U.S. ending stocks will probably rise, and supplies of all types of cotton will be adequate.

Production in 1985/86 may decline moderately. Rising stocks, combined with a potential deficiency payment of 23.7 cents a pound, will make the 1985 program attractive. Consequently, the 20-percent acreage reduction and 10-percent paid land diversion should reduce planted area to 9.5 to 11 million acres, compared with 1984 plantings of 11.1 million.

Generally good weather and larger planted acreage in several major cotton-producing countries point to a record world cotton crop of 80.7 million

bales in 1984/85, 20 percent above last season. China remains the world's top producer for the third consecutive year. Chinese production is estimated at 25.3 million bales, over twice its 1978-82 average and almost as large as the next two producers, the United States and the Soviet Union, combined.

World cotton consumption, at 69.5 million bales, is projected modestly above last year. Improved prospects are reported in several major producing countries—China, the Soviet Union, Pakistan, Turkey, and Mexico. Chinese consumption has grown dramatically over the last 10 years, despite a 2-percent decline in textile output during 1983 and into the first half of 1984. On the other hand, prospects in net importing countries show only a slight increase. Consumption may be almost flat in the important Western European and Asian markets.

World cotton trade is projected at over 20 million bales this year, reflecting the emergence of China as an important exporter and the resumption of more normal exports by Pakistan and Mexico. Chinese exports are forecast at a record 1.2 million bales, up from 750,000 in 1983/84. The Soviet Union, an important exporter, has been a less aggressive seller during the last two seasons.

World stocks at the end of 1984/85 are forecast at a record 35.2 million bales, a 10.9-million-bale increase from beginning levels. The record Chinese crop is the largest factor in the increase; China is expected to hold 44 percent of world ending stocks. Foreign stocks, excluding China, are expected to increase about 1.2 million bales.

World cotton production for 1985/86 will be large and may be exceeded only by 1984/85. World mill use is expected to increase moderately; however, competition among exporters will be stiff as China strives to develop export markets. World consumption is projected between 70 and 72 million bales.

Prospective 1985 foreign production, at 65 to 67 million bales, coupled with a probable foreign use of 62 to 64 million, suggests a more pessimistic outlook for U.S. exports. China's exports, on the other hand, should increase because large supplies will be available even if crop size is reduced. (Terry Townsend (202) 447-8444 and Leon G. Mears (202) 382-9516)

• Tobacco

As of November 1, the U.S. tobacco crop was forecast at 1.74 billion pounds. Together with only a slightly smaller carryin, this crop brings total supplies for 1984/85 to about 4 percent more than last year.

Despite relatively weak demand, prices for this year's high quality flue-cured crop were 3 cents a pound above last year. Flue-cured cash receipts from the 1984 crop were also a little higher than last year. Net returns have been further squeezed by the cost of producing and selling flue-cured tobacco—up about 3 percent an acre from 1983. However, costs per pound declined 4 percent because of yield increases.

Price support levels for all eligible tobaccos except Puerto Rican were the same in 1984 as in 1983. Burley auctions opened on November 19, and prices averaged about 8 cents a pound higher than last year in the first 2 weeks of sales, despite the larger crop. This is because of the much improved quality of this year's crop. Cash receipts from the 1984 burley crop will rise sharply.

At the beginning of this marketing year, unsold tobacco held under Government loan totaled about 1,170 million pounds (farm-sales weight), up about 370 million pounds and 47 percent from a year earlier. The big jump resulted from the 256 million pounds of burley and 195 million of flue-cured that went under loan during 1983/84.

The 1984/85 total supply of burley tobacco is about 11 percent above last season. Carryover stocks on October 1 were 2 percent above a year ago, despite the small 1983 crop. The 1984 crop is 54 percent above 1983's drought-reduced harvest. Acreage was up 9 percent and yields 42.

During the year ending September 30, 1984, burley disappearance totaled 501 million pounds, 13 percent below the previous year and 21 percent less than 1979's record. Domestic use dropped 12 percent and exports 17. The poor-quality 1983 crop, together with high U.S. prices and the strong dollar, reduced exports to 112 million pounds, 23 million below the previous year and 29 million below the record set in 1981/82. Lower cigarette demand and increased use of imported burley cut domestic use.

Total use may increase in 1984/85, because increased exports may more than offset lower domestic consumption. The larger, higher quality 1984 crop will likely boost exports.

Because of the rise in imports, the U.S. International Trade Commission (ITC) is investigating whether flue-, fire-, and dark air-cured and burley tobacco imports are interfering with the USDA tobacco programs. The investigation results from a request by the Secretary of Agriculture to the President. If the ITC study finds such interference, the President may impose import quotas or fees to protect USDA programs. At present, there are no quantitative restrictions on tobacco imports.

[Verner N. Grise (202) 447-8776]

• Fruit

Supplies of all fresh fruit will likely be small during 1984/85. Although the citrus crop is forecast to be moderately larger than last season, it is still sharply below 1982/83. Tree damage from the December 1983 freeze caused the small production in Florida and Texas. Even with a larger U.S. citrus crop, smaller supplies of processed citrus items will keep orange and grapefruit prices firm.

Primarily reflecting smaller crops of grapes and winter pears, supplies for this winter will be smaller than a year ago. Reduced shipments have left cold storage holdings of apples moderately above a year ago at the beginning of November. Nevertheless, grower prices are expected to be relatively high. Contract prices for noncitrus fruit for canning were negotiated at substantially higher levels because of depleted ending stocks for most canned items. In contrast, field prices for natural seedless raisins, tart cherries, and strawberries for freezing were sharply lower than last year.

The small supplies and rising demand should keep retail prices for most fresh and processed fruit firm. However, with only a mild increase in marketing costs, retail fruit prices next year are likely to increase only moderately from 1984.

Prices—The index of grower prices for fresh and processing fruit through November this year averaged 54 percent above a year ago. With increased supplies of apples and citrus, the November price declined, but was still 109 percent above a year earlier. Substantially to sharply higher prices were indicated for all fruit. Prices are

expected to decline further through early winter, but they will still probably remain above a year ago, reflecting rising demand and smaller supplies of noncitrus. In addition, the smaller early, midseason, and navel orange crops, combined with rising processor demand, will hold citrus fruit prices relatively firm through the middle of the winter.

Reflecting higher prices of apples and citrus, retail prices of fresh fruit have averaged moderately above last year's levels. The October Bureau of Labor Statistics index of consumer prices for fresh fruit stood at 354.3 (1967=100), up 16.4 percent from a year ago. As supplies of fresh apples and citrus increase seasonally, retail prices are expected to decline through early winter. However, smaller total supplies of winter pears and early, midseason, and navel oranges will likely hold prices relatively high.

Reflecting higher prices for canning fruit and frozen concentrated orange juice (FCOJ), retail prices of processed fruit have been up moderately from a year ago. Packers recently announced price hikes for most canned fruit and good demand will keep FCOJ prices firm. Therefore, retail prices of processed fruit are expected to remain firm during 1985.

Fresh citrus—The December 1 forecast of U.S. citrus production (excluding grapefruit in California's "other areas" and the Texas citrus crop) is 11.4 million tons. This is 7 percent above last season, but still 16 percent below the 1982/83 crop (including Texas). Larger crops are indicated for all citrus, except tangerines. Citrus canker has not yet affected forecasts for Florida supplies.

Processed citrus—Because the 1983/84 Florida citrus crop was sharply smaller, the quantity for processing use was down 22 percent. The portion of citrus fruit used for processing was also down, from 68 percent in 1982/83 to 67 percent in 1983/84.

This season's bigger orange crop and higher juice yield will result in a substantially larger pack of FCOJ. In addition, more Florida oranges will likely be used for juice because of lower stocks of processed citrus products and the directing of more California oranges to the fresh market. Nevertheless, domestic FCOJ supplies will still be tight because carryin stocks will

likely be small. To meet domestic demand, imports will stay heavy. Thus, if demand remains relatively good, prices are not likely to weaken.

Fresh noncitrus—The 1984 noncitrus crop—including major tree fruits, grapes, and strawberries—is forecast at 12.9 million tons, down fractionally from last year. The decline primarily reflects a reduced grape crop. This summer's hot weather and thunderstorms in California cut grape production.

The pear crop is estimated to be 11 percent smaller, with a 14-percent reduction in winter pears. The apple crop is down 1 percent. Consequently, fresh noncitrus fruit supplies will be lower this fall and winter, and prices are likely to be higher than a year ago.

Processed noncitrus—Supplies of processed noncitrus fruit will vary by item during 1984/85. Even though the canned fruit pack is expected to be up for some items, depleted stocks will result in small supplies of most canned fruit. Thus, prices are expected to remain firm. In contrast, supplies of dried fruit, particularly raisins and prunes, will be adequate to ample; raisin prices will be lower than a year ago.

The total supply of frozen fruit and berries will be ample, particularly tart cherries and strawberries. Supplies of most other frozen fruit and berries are adequate this season. These large supplies and the lower cost of fruit and berries will keep prices for these items weak.

Tree nuts—Supplies of tree nuts will be plentiful during 1984/85. A record almond crop is forecast, and walnut and filbert production is expected to be well above last year. However, the pecan crop will be moderately smaller. Prices of almonds and pecans are expected to fall below last year, but those of filberts and walnuts may be near a year earlier. (Ben Huang (202) 447-7290)

•Vegetables

Increased supplies of commercial vegetables, potatoes, and pulses will put downward pressure on 1985 prices. Based on 1984 production, the 1985 supply of processed vegetables, potatoes, and dry edible beans is forecast up through the first two quarters. Also, strong 1984 prices for fresh vegetables suggest that growers will increase plantings in 1985.

The recent popularity of vegetables and potatoes is expected to continue because of health concerns and the appearance of new vegetable products. The growing popularity of dual-purpose items, such as broccoli and cauliflower, will prompt increased production and usher in new product combinations and marketing techniques.

Commercial vegetable production in the United States was slated for a 5- to 7-percent increase in 1984, compared with 1983. This seemingly large increase in output likely brought commercial production of the major vegetables (fresh and processing) to between 427 and 435 million cwt, 21 to 29 million more than in 1983, but averaging closer to 1982's 429 million cwt.

The increase resulted from a 13-percent expansion in the production of the four major processing vegetables (green peas, snap beans, sweet corn, and tomatoes) and a 1- to 3-percent increase in dual-purpose and fresh-market vegetables (broccoli, carrots, cauliflower, celery, sweet corn, lettuce, onions, tomatoes, and honeydews).

The prospects for further expansion of U.S. commercial vegetable production hinge on at least three important factors: continued increases in consumer demand for vegetables, increased acreage and/or productivity, and a strong export position vis-a-vis competing nations. Assuming production acreage is available in the United States and that total consumption will rise at least proportionately with population growth, total 1985 production of commercial vegetables is likely to rise.

Total commercial production of potatoes, sweetpotatoes, and dry edible beans was estimated up 8.5 percent in 1984. Total production, at 392.1 million cwt, was primarily white potatoes, up 7.5 percent to 358.8 million. Dry edible beans, with a 32-percent increase, was estimated at 20.5 million cwt, about the 1979 level but short of 1981's export-led 32.8 million. Sweet-potato production, rebounding from a 12.1-million-cwt crop in 1983, was up 8 percent to 13.1 million in 1984, about 2 percent above the 1974-83 average.

Production of these three items could increase in 1985 if higher demand improves prices. For potatoes, the recent introduction of baked-potato entrees into fast food and other restaurant

menus could mitigate the extraordinary price declines that usually follow a large fall crop. Increased 1985 production of sweetpotatoes, however, is unlikely. Also, unless export demand for dry edible beans improves or dealers are able to lower stocks some other way, 1985 production is not likely to expand.

Total per capita consumption of the nine major fresh vegetables (broccoli, carrots, cauliflower, celery, corn, lettuce, onions, tomatoes, and honeydew melons) leveled out at 78 pounds in 1983. Per capita consumption likely increased only slightly in 1984, as population growth offset production increases. Average consumption of fresh vegetables increased nearly 1 percent a year over the last 9 years, possibly because of information explaining improved health from diets high in certain vegetables.

Per capita consumption of canned snap beans, green peas, sweet corn, and tomatoes averaged 34 pounds (product weight) over the last 3 years, down from 37 pounds during 1974-76.

Growth in per capita consumption of frozen vegetables has outstripped both fresh and canned vegetables. During the last 3 years, per capita consumption of frozen snap beans, carrots, peas, broccoli, cauliflower, and corn averaged about 7.7 pounds (product weight), up from 6.4 during 1974-76. The promise of frozen foods with high gross margins in retail markets will likely encourage increased offerings of frozen vegetables. Also, new product forms in which vegetables are complements to other frozen entrees improve the prospects of increased demand in 1985. (John Love (202) 447-7290)

•Sugar

Effective October 1, a market stabilization price (MSP) of 21.57 cents a pound, raw sugar, was established for 1984/85 production, up from 21.17 cents in 1983/84. Actual market prices (c.i.f., duty/fee-paid, New York, contract No. 12) averaged 21.4 cents a pound in November, 0.17 cent below the MSP. In early December, prices declined to about 21.3 cents a pound.

Wholesale list prices for sugar in the Northeast averaged 31.5 cents a pound in third-quarter 1984, down a cent from a year ago. The U.S. average retail price for sugar (all package sizes) in third-quarter 1984 was 36 cents a pound, 1/2-cent below a year ago.

U.S. sugar production in crop year 1983/84 (September/August) was estimated by USDA's Crop Reporting Board at 5.6 million short tons, raw value. For fiscal 1984, however, production was placed at 5.8 million tons, a much higher figure than earlier estimated, as apparently the 1984 sugar output for September was much higher than in September 1983. The increase in output helped lower prices this fall.

U.S. sugar production in 1984/85 is expected to rise to 5.66 million tons, mostly from a 5-percent rise in beet sugar output. Raw cane sugar production is expected to fall 2.4 percent to 2.86 million tons.

World sugar production for 1984/85 is now projected at 97.5 million metric tons, compared with 95.6 million in 1983/84. Growing conditions have improved in a number of areas, including the European Community, South Africa, India, and Australia. On the other hand, output will be lower in Brazil and in the USSR.

World consumption during 1984/85 is currently estimated at 96.1 million tons, up only 500,000 from a year earlier. This will mean a production excess of 1.4 million tons, leading to a corresponding increase in stocks.

Although consumption is expanding or staying level in several regions, it is expected to be lower in North America and Asia. Rising stocks will continue to depress already low world prices.

U.S. sugar consumption has declined yearly since 1977, as lower priced high fructose corn sirup (HFCS) has edged out sugar in a wide range of industrial uses. Sugar consumption in fiscal 1984 was estimated at 8.67 million tons, raw value, down some 300,000 tons from fiscal 1983. A drop of about the same amount was earlier estimated for fiscal 1985, but recent cola company announcements on HFCS approvals caused significant recalculation. For fiscal 1985, sugar use is now forecast at 8.16 million tons, down 500,000 from a year earlier.

For 1983 and 1984 combined, soft drink companies' HFCS approvals totaled an incremental demand of about 1.6 million tons. By 1986, the HFCS conversion should be complete. HFCS displacement of sugar would end, and sugar use could stabilize at about 7.8 million tons, raw value. [Robert D. Barry (202) 447-7290 and John Nuttall (202) 382-9052]



Income and Finance Update

FARM INCOME: 1984 SITUATION AND 1985 OUTLOOK

Although the PIK program provided much-needed temporary relief to many farmers during the past year, economic conditions in the farm sector remain relatively weak. Current prospects indicate little improvement ahead:

- land values will likely remain soft;
- commodity prices will generally stay below year-earlier levels;
- cash flow may continue tight; and
- growth in the economy and, thus, demand for agricultural products may slow down.

Nominal net cash income, which was record high in 1983 largely because of PIK, is expected to fall this year and again in 1985. However, potential bright spots in the agricultural economy include:

- an expected increase in export volume in 1984/85;
- continued small increases in farm input prices as inflationary pressures in the general economy stay moderate;
- lower feed prices, which may reduce cash grain income but should lower costs for livestock producers; and
- disbursement of Government payments, which have been especially important in aiding cash flow since 1983.

The impact of PIK was still felt strongly in 1984, as 1983 PIK crops

continued to be disbursed into the second quarter. The income and cash flow assistance provided by deficiency payments and Commodity Credit Corporation (CCC) loans will likely remain important to farmers through 1985.

Farm Prices Up This Year

Farm prices for all commodities in 1984 are expected to average about 5 percent greater than during 1983. Crop prices will likely average 8 percent higher as strong prices for fruit and nuts (up 45 percent), cotton (7 percent), and oil crops (7 percent) outweigh lower prices for food grains (down 3 percent).

Prices received for livestock and products this year are expected to average 3 percent above a year earlier. However, dairy prices received will fall 1 percent in 1984. In 1985, prices for all farm products will likely fall 0 to 4 percent, as lower crop prices caused by excessive supplies outweigh slightly higher livestock product prices led by stronger meat animal prices.

Prices paid by farmers for all items likely rose less than 3 percent in 1984. Prices paid for inputs with farm origin (feed, feeder livestock, seed) remained fairly stable; higher seed and slightly higher feed prices offset lower feeder livestock prices. Prices paid for manufactured (nonfarm-origin) inputs rose 2 percent in 1984, mostly because of higher machinery and fertilizer prices. Of all inputs, seed and autos/trucks rose the most, 7 percent each.

In the year ahead, prices paid by farmers for all items are expected to rise 2 to 4 percent, as manufactured input prices rise faster than prices for farm-origin inputs. Prices for feeder livestock and autos/trucks are expected to rise the most in 1985.

Total farm output in 1984 will likely rise 16 percent from the drought- and PIK-shortened 1983 outturn. Bigger crops of feed grains, cotton, and oilseeds are the most important in raising overall crop output. The output of livestock and products has fallen slightly from the 1983 record, as lower milk output and flat meat animal production have outweighed stronger poultry production.

Farm Income and Cash Flow Statement

Item	1981	1982	1983	1984 F	1985 F
Billion dollars					
Farm income sources					
1. Cash receipts	142.6	144.8	138.7	139 - 143	142 - 147
Crops ¹	73.3	74.6	69.5	68 - 72	70 - 74
Livestock	69.2	70.1	69.2	70 - 74	71 - 75
Cash Government payments	1.9	3.5	4.1	3 - 5	4 - 7
Value of PIK commodities	0.0	0.0	5.2	4 - 6	0
2. Direct Government payments	1.9	3.5	9.3	7 - 10	4 - 7
3. Other cash income ²	1.9	2.0	1.5	1 - 3	1 - 3
4. Gross cash income (1+2+3) ³	146.4	150.2	149.6	150 - 154	150 - 155
5. Nonmoney income ⁴	13.6	14.2	13.6	12 - 14	12 - 14
6. Realized gross income (4+5)	160.0	164.4	163.2	163 - 167	163 - 168
7. Value of inventory change	7.9	-2.6	-11.7	6 - 10	-2 - 2
8. Total gross income (6+7)	167.9	161.8	151.4	171 - 175	163 - 168
Production expenses					
9. Cash expenses ^{5,6}	111.4	113.4	109.5	115 - 117	118 - 122
10. Total expenses	138.9	139.5	135.3	141 - 143	142 - 147
Income statement					
Net cash income: ^{1,6}					
11. Nominal (4-9)	35.0	36.8	40.1	34 - 38	31 - 36
Deflated (1972\$) ⁷	17.9	17.8	18.6	15 - 17	13 - 15
Net farm income: ¹					
12. Nominal total net (8-10)	31.0	22.3	16.1	29 - 33	19 - 24
Total net (1972\$) ⁸	15.9	10.8	7.5	13 - 15	8 - 10
Total net (1967\$) ⁹	11.4	7.7	5.4	9 - 11	5 - 8
13. Off-farm income	39.8	39.4	41.0	41 - 45	43 - 47
Other sources and uses of funds					
14. Change in loans outstanding ⁴	15.5	6.8	2.9	0 - 4	0 - 4
Real estate	9.3	3.7	2.1	-2 - 2	-2 - 2
Nonreal estate ⁹	6.2	3.1	0.8	0 - 4	0 - 4
15. Rental income	5.7	5.6	4.3	4 - 6	4 - 6
16. Gross cash flow (11+14+15)	56.1	49.3	47.3	41 - 45	38 - 43
17. Capital expenditures ⁴	16.8	13.6	13.1	12 - 14	11 - 15
18. Net cash flow ^{1,6} (16-17)	39.3	35.6	34.2	29 - 33	26 - 31

F = forecast. ¹ Includes net CCC loans. ² Income from custom work, machine hire, and farm recreational activities. ³ Numbers in parentheses indicate the combination of items required to calculate a given total. ⁴ Value of home consumption of farm products and imputed rental value of farm dwellings. ⁵ Excludes depreciation and perquisites to hired labor. ⁶ Excludes farm dwellings. ⁷ Deflated by the GNP implicit price deflator. ⁸ Deflated by the CPI-U. ⁹ Excludes CCC loans.

In 1985, total farm output is expected to be unchanged to 4 percent higher on the strength of larger crops. Livestock production will probably about equal that of 1984, as expanded poultry output offsets lower meat animal production. Milk output is not expected to change much from 1984.

Cash Receipts Rise

Total cash receipts from 1984 marketings of farm products will likely rise 1 to 3 percent from 1983's \$138.7 billion. Crop cash receipts are expected to increase 0 to 2 percent from 1983's low \$69.5 billion. Crop receipts will be up because of stronger prices, especially during the first half of the year. The stronger first-half prices outweighed

lower overall marketing volume caused by the poor 1983 crops.

Livestock cash receipts for 1984 marketings are expected to rise 2 to 4 percent from 1983's \$69.2 billion. The rise is mostly due to stronger prices received; overall marketing volume was about the same as in 1983. Livestock receipts will likely exceed the 1983 total for all categories except milk and hogs.

Food grain receipts are expected to fall 5 to 7 percent in 1984, as wheat receipts decline 6 to 8 percent, outweighing a 4- to 6-percent gain in rice receipts. Rye receipts are also expected to decline. Wheat receipts will likely fall because of reduced marketings (caused by the lower 1983 output) and lower prices. Rice receipts are forecast to rise because of higher prices earlier in the year and increased marketings from this year's crop. In the coming year, receipts from food grains could rise somewhat as rice receipts, on the strength of increased marketings, rebound substantially and wheat receipts increase slightly.

Feed grain cash receipts are also expected to fall 6 to 9 percent this year, mostly because of a drop of more than a tenth in corn receipts. Although corn production is up 81 percent this year, most of this will be marketed in 1985. Corn marketings in 1984 are down because of the very small 1983 crop. These lower marketings will outweigh somewhat higher prices, leaving receipts lower this year. Next year, corn receipts are expected to rebound despite lower prices, as the volume of marketings improves. Sorghum receipts are not expected to exhibit much change in 1984, as both marketings and average prices remain near a year earlier.

For the year ahead, total cash receipts are expected to increase 1 to 5 percent, as crop receipts climb 1 to 5 percent and livestock receipts move up 0 to 4 percent. Without extreme weather in the growing season, crop output could exceed the 1984 total. The resulting increased marketing volume will then be the key to higher crop receipts, as average prices decline. Receipts for corn, sorghum, rice, and cotton should outweigh expected declines in soybeans, peanuts, tobacco, and fruit. Livestock receipts will likely depend on slightly stronger volume and a small rise in prices.

Government Payments Stable

As in 1983, Government payments will contribute significantly to this year's gross cash income. Direct Government payments (cash plus PIK disbursements) in 1984 are likely to total \$7 to \$10 billion, compared with last year's record \$9.3 billion.

Advance payments on the 1985 crop were likely made during the final quarter of 1984. These advances will supplement the 1984 cash flows of wheat, rice, feed grain, and cotton farms. Thus, total 1984 cash payments (deficiency, diversion, storage, and conservation programs) are now expected to total \$3 to \$5 billion, compared with last year's record \$4.1 billion. Milk diversion payments (most of which are financed by operators through milk marketing assessments) and wheat deficiency and diversion payments will account for a major portion of total 1984 cash payments.

Government payments during first-half 1984 totaled about \$5.4 billion, with about 83 percent in PIK disbursements. Nearly all the PIK consisted of disbursement of 1983 entitlements, because 1984 wheat PIK was just beginning to be disbursed late in the second quarter. The value of PIK wheat will likely total about \$300 million during second-half 1984. Producers may not take possession of a small amount of 1984 wheat PIK until January 1985.

In the year ahead, direct Government payments will consist almost entirely of cash payments, with just a trickle of wheat PIK payments likely to be disbursed in January. Direct Government payments are forecast to range from \$4 to \$7 billion in 1985, with more than half this amount consisting of deficiency payments and another quarter coming from diversion payments, including those for milk.

Other Income Sources Provide More Income from other sources (such as machine hire, custom work, and recreational income) is expected to rise a third from 1983's \$1.5 billion. The rise will be due to increased income from machine hire and custom work—the result of more acreage farmed and a 26-percent rise in crop output. In 1985, slightly expanded acreage will likely result in somewhat higher earnings from these other cash sources.

Cash Receipts, 1981-85

	1981	1982	1983	1984 F	1985 F
Billion dollars					
Crop receipts ¹	73.3	74.6	69.5	68 - 72	70 - 74
Food grains	11.6	11.5	10.0	8 - 10	9 - 11
Feed grains & hay	17.1	18.3	16.8	15 - 17	15 - 19
Oil crops	13.9	14.0	13.3	13 - 15	11 - 15
Other crops	30.7	30.8	29.4	30 - 32	30 - 34
Livestock receipts	69.2	70.1	69.2	70 - 74*	71 - 75
Meat animals	39.8	40.9	38.8	40 - 42	40 - 44
Poultry and eggs	9.9	9.5	10.0	11 - 13	10 - 12
Dairy products	18.1	18.3	18.8	17 - 19	17 - 19
Other livestock	1.3	1.4	1.6	1 - 2	1 - 2
Total cash receipts	142.5	144.8	138.7	139 - 143	142 - 147

F = forecast. ¹ Includes net CCC loans.

Farm Production Expenses, 1981-85

	1981	1982	1983	1984 F	1985 F
Billion dollars					
Farm-origin inputs	31.7	30.5	31.2	30 - 32	30 - 34
Manufactured inputs	24.5	22.9	20.9	22 - 24	22 - 26
Interest charges	19.9	22.2	21.2	22 - 24	22 - 26
Other operating	28.3	31.1	30.6	32 - 34	31 - 35
Other overhead	32.5	32.8	31.4	31 - 33	31 - 35
Total expenses	136.9	139.2	135.3	141 - 143	142 - 147
Cash expenses	111.4	113.4	109.5	115 - 117	118 - 122

F = forecast.

Production Expenses Climb

The rebound in acreage this year and the subsequent recovery in input use are the main reasons for the expected 5- to 7-percent increase in 1984 cash production expenses. Total production expenses, which include depreciation, farm dwelling expenses, and labor perquisites, are forecast to rise 4 to 6 percent.

Input use is expected to show an increase of 3 to 5 percent, recovering much of the PIK-induced decline of 1983. Since expenses are determined by changes in both overall input use and the prices paid for those inputs, and since prices for production inputs are forecast up just 2 percent in 1984, increased input use will be about twice as important in the overall expense picture.

For 1985, continued moderation in the prices of production inputs, combined with stable input use, may lead to a 1- to 5-percent increase in cash expenses and a 0- to 4-percent rise in total production expenses.

Total farm production expenses for 1984 are estimated between \$141 and \$143 billion. The midpoint of this range is less than 4 percent above the 1981 total of \$136.9 billion.

Gross Cash Income Rises

Increased cash receipts from marketings and rising machine hire and custom work income will likely outweigh lower direct Government payments in 1984, leaving gross cash income up about 2 percent to a nominal record high. Nevertheless, because larger expenses will outweigh higher gross cash income, net cash income is expected to fall in 1984—ranging from \$34 to \$38 billion, compared with the record \$40.1 billion of last year. This could be the first decline in net cash income since 1981 when, like this year, cash expenses increased more rapidly than cash sources of income. It would be only the second decline since 1977.

In 1985, gross cash income is forecast to rise slightly, as higher marketing receipts are only partially offset by reduced Government payments caused by the end of PIK. Even though cash Government payments could hit record nominal levels, direct Government payments will still likely be \$1 to \$3 billion less than 1984. As in 1984, the small gain in gross income could be outweighed by increased cash expenses, even though the rise in cash expenses will also be small. Thus, net cash income is expected to fall again in 1985, to between \$31 and \$36 billion.

Gross Cash Flow Down in 1984

In 1984, gross cash flow is expected to decline from last year's \$47.3 billion, to between \$41 and \$45 billion. This decline will likely occur because reduced net cash income and loans outstanding will outweigh increased rental income.

Capital expenditures (excluding dwellings) will likely experience a fifth straight year without an increase, with a small decline likely. Sales of farm implements, especially harvesting equipment such as combines and forage harvesters, are down again in 1984, as interest rates remain high by historical standards, financial problems persist for some farmers, and general uncertainty regarding future farm policy and income looms larger.

These changes in gross cash flow and capital expenditures will likely push net cash flow down in 1984—the fifth consecutive annual decline. Most of the decline during the past few years has been caused by fewer new loans, as farmers continue to rely more on internal financing for operations and refrain from purchasing land or machinery. In 1985, gross cash flow could fall as both net cash income and borrowing are reduced. With little change expected in capital expenditures and reduced net cash income, net cash flow could also total lower in 1985—the sixth consecutive decline.

In recent years, net farm income has been much more volatile than net cash income because of extremes in weather and crop output that have caused large inventory adjustments. Last year, severe drought combined with PIK-reduced acreage to yield the largest year-to-year cut in crop output on record. This resulted in huge stock drawdowns, leaving the value of the physical change in commodity inventories at a record negative \$11.7 billion.

In 1984, crop output increased 26 percent, replenishing stocks and causing a \$6 to \$10 billion increase in the change in farm inventories. Because net farm income seeks to approximate a net value of production, increased output and prices will likely leave net 1984 farm income nearly twice as high as 1983's \$16.1 billion, with a range of \$29 to \$33 billion likely.

Off-farm income, which includes non-farm wages and salaries, pensions, and interest income is expected to total \$41 to \$45 billion in 1984. Since 1980, off-farm income has accounted for the majority of total income for farms with sales of less than \$100,000 in agricultural commodities a year. Farms with sales exceeding \$100,000 (12 percent of all farms) account for two-thirds of total farm output and mostly rely on farm-generated revenue.

In the year ahead, income prospects could be influenced from month to month by such variables as weather, the world economy, and U.S. exports. Net farm income is forecast between \$19 and \$24 billion in 1985, as rising expenses and reduced Government payments outweigh the volume-induced increase in commodity marketing receipts and a small inventory rise. Off-farm income is forecast to total \$43 to \$47 billion in 1985, as salaries and wages continue to increase in the general economy. (Gary Lucier and Jim Johnson (202) 447-2317)

THE FINANCIAL STATE OF U.S. FARMERS

Persistently low farm income, sluggish export demand, high interest rates, and declining farmland values in many regions have created severe financial stress among highly leveraged farm operators.

Highest Sales Classes Show Greatest Degree of Leveraging

The greatest concentration of very highly leveraged farmers occurs in the top sales classes. Over 15 percent of the farmers with sales of \$500,000 or above have debt/asset ratios of 70 percent or more. The percent of operators with very high financial leverage in the \$250,000-\$499,999 and \$100,000-\$249,999 sales classes is 12.6 and 9.2 percent, respectively. In the smaller sales classes, the percentage of very highly leveraged farmers drops considerably.

A similar pattern emerges if the focus is broadened to include farmers with debt/asset ratios of 40 percent or above. Roughly 30 percent of the sector's farms with sales of at least \$100,000 have debt/asset ratios of 40 percent or more.

These numbers suggest that between 20 and 30 percent of all commercial farmers (sales over \$100,000) are facing financially stressful conditions, requiring decisive steps to improve cash flow and profits. A subset of these farmers, numbering between 5 and 15 percent of all commercial farmers, is likely experiencing severe financial stress.

While these highly leveraged farmers with annual sales of at least \$100,000 represent only about 5 percent of all producers, they account for roughly 23 percent of cash receipts and 24 percent of production expenses. Hence, agribusiness could be significantly affected by the balance sheet adjustments and general belt-tightening required of these operators over the next few years.

Farms Most Highly Leveraged: Poultry, Field Crop, Dairy

At the beginning of 1984, 6.6 percent of all farm operators had debt/asset ratios of 70 percent or more, about twice as many as 4 years earlier. Over 17 percent of all farm operators had debt/asset ratios of 40 percent or above on January 1, 1984, compared with 12.2 percent in 1980. Higher farm debt and lower asset values in many regions pushed many farmers into the higher leverage situations.

The degree of financial difficulty varies by type of farm. Poultry, field crop, and dairy are the farm types with the greatest concentration of producers with very high debt/asset ratios. Of poultry operations, 17.7 percent have debt/asset ratios over 70 percent (very high debt/asset ratios); of field crop operations, 8.9 percent; of dairy operations, 8.7 percent. However, these farmers are earning some of the highest net cash incomes in the sector, tobacco and other field crop farms excepted. Hence, the higher income farms may not be in as much financial difficulty as some other farms.

For example, 7.6 percent of the cash grain farms and 7.1 percent of the general livestock farms (cattle, hogs, and sheep) are in the very high leverage classification. Since the average net cash income for these farms is substantially less than that of poultry, cotton, and dairy farmers, these farmers are likely experiencing more financial stress.

Farms with the lowest concentration of very highly leveraged operators include general crop farms, 4.6 percent; fruit and tree nut operations, 4 percent; and nurseries, virtually none.

Taking the High and Very High Categories Together

If we consider what could be referred to as highly leveraged operators (debt/asset ratios between 40 and 70 percent), we define a broader group of financially troubled farmers. Poultry, dairy, and vegetable and melon farms have the highest concentration of highly and very highly leveraged operators—35.6 percent, 26.5 percent, and 24.1 percent, respectively. Again, the income characteristics of these farms suggest that they can support higher debt ratios than other types of farms.

This is not to say that high to very highly leveraged farmers in these categories are not experiencing difficulty. It does suggest, however, that the degree of difficulty may not be as great for these farms as for lower income farmers with comparable degrees of financial leverage.

Almost 22 percent of all cash grain farmers had debt-asset ratios over 40 percent, just below vegetable and melon farms. Given the lower income earned by cash grain farmers in recent years, this suggests that they are among the farms experiencing the most difficult financial conditions.

General livestock farms have a relatively low ranking in terms of percentage of farmers with debt/asset ratios over 40 percent—17.7 percent. Still, this is a substantial number, particularly considering the poor income performance of these farms over the past few years. Meanwhile, fruit and tree nut farms and general crop farms had the lowest concentration of high to very highly leveraged operators, with 11.7 percent and 11.3 percent, respectively.

Highest Sales Classes Also Show Highest Percentage of Debt-Burdened Farms*

Sales Class	Percent of Survey Respondents	
	Very high leverage (debt/asset ratio over 70 percent)	High to very high leverage (debt/asset ratio over 40 percent)
\$500,000 and over	15.3	32.7
\$250,000 to \$499,999	12.6	31.6
\$100,000 to \$249,999	9.2	27.3
\$50,000 to \$99,999	8.7	23.4
\$25,000 to \$49,999	7.9	17.6
\$10,000 to \$24,999	4.0	11.9
Under \$10,000	4.5	12.6

Different Farm Types Show Different Concentrations Of Highly Leveraged Farmers*

Farm Type	Percent of Survey Respondents	
	Very high leverage (debt/asset ratio over 70 percent)	High to very high leverage (debt/asset ratio over 40 percent)
Cash grain	7.6	21.8
Field crop	8.9	20.7
Vegetable and melon	8.3	24.1
Fruit and tree nut	4.0	11.7
Nursery	0.0	21.7
General crop	4.6	11.3
General livestock	7.1	17.7
Dairy	8.7	26.5
Poultry	17.7	35.6
Other livestock	9.1	21.7
All farms	6.6	17.7

Financial Stress Varies by Region*

Region	Percent of Survey Respondents	
	Very high leverage (debt/asset ratio over 70 percent)	High to very high leverage (debt/asset ratio over 40 percent)
Northeast	3.9	19.8
Lake States	8.0	22.5
Corn Belt	5.9	17.8
Northern Plains	8.4	22.3
Appalachian	4.8	12.0
Southeast	7.9	15.0
Delta States	6.5	14.4
Southern Plains	6.9	15.9
Mountain	9.1	19.2
Pacific	5.5	15.8
United States	6.6	17.7

* Data as of January 1, 1984.

Source: 1983 Farm Production Expenditure Survey, USDA.

Since 1980, all types of operations have experienced an increase in the number of farms with debt/asset ratios over 40 percent. This is not surprising given declining farm asset values and the weak income of recent years. Dairy, poultry, general livestock, and vegetable and melon farms experienced the greatest increases in the high leverage categories. The smallest concentration increase occurred among cash grain farms, which is somewhat

surprising given the sharp drop in Corn Belt farmland values since 1980.

Areas of Greatest Stress

The highest concentrations of very highly leveraged farm operators appear in the Mountain States, Northern Plains, Lake States, and Southeast. The regions with the lowest percentage are the Northeast (3.9 percent), Appalachia (4.8), and the Pacific States (5.5).

Reasons for the various regions' ranks are not completely clear. Recent developments in farmland markets do not explain everything.

It is likely that the large drop in farmland values in the Lake States and the Northern Plains contributed to the large concentration of highly leveraged farmers in those regions. But while land values were relatively stable in most of the Mountain States, this region ranks high in its concentration of highly leveraged farmers. Possibly the importance of the livestock industry explains the upper ranking of the Mountain States. On the other hand, several years of drought in the Southeast probably contributed to the larger percentage of farmers with very high leverage there.

The Outlook: More Difficulties for Some Operators

The concentration of highly leveraged farmers over the past 4 years suggests continued greater-than-normal rates of liquidation. The most vulnerable types of operations include cash grain, cattle, hogs, and sheep farms.

Farm lenders should expect credit problems into the intermediate future. Almost a quarter of all farm debt is owed by farmers with debt/asset ratios over 70 percent. Close to 60 percent of all farm debt is owed by farmers with debt ratios over 40 percent.

There will be continued downward pressure on farm asset values—particularly those of land and machinery. Over 14 percent of all farm assets are owned by farmers with debt ratios above 40 percent. These farmers will have to restructure their balance sheets over the next few years to improve cash flow and profitability. This will require reducing debt and selling assets. (Stephen Gabriel (202) 447-2317)

Indexes for Agricultural Outlook To Appear Next Issue

Subject and article indexes will appear in the January/February 1985 issue of *Agricultural Outlook*. The indexes will cover all topics from 1980 through 1984, with detailed cross-referencing by subject and a listing of all published articles.



Food and Marketing

1985 FOOD PRICE OUTLOOK

Price increases for both food eaten at home and away from home have slowed in recent years. Prices for food at home, representing food purchased in grocery stores, rose more than 8 percent in 1980, but rose about 4 percent in 1984. Prices for food purchased away from home in restaurants, cafeterias, and fast food establishments were forecast to go up about 4 percent this year, compared with nearly 10 percent in 1980.

The farm value of food rose at a decreasing rate from 1980 to 1982, and the 1983 farm value of food declined 2.2 percent. This trend was partly due to rising crop production and weak domestic and foreign demand resulting from the recession and the loss of some grain export markets. This, coupled with large supplies of livestock products, depressed farm prices for several years. However, the 1984 farm value was pegged at a 4- to 5-percent increase from 1983 because of higher farm prices.

Increases in the farm-to-retail price spread have also slowed in recent years. The farm-to-retail price spread accounts for about two-thirds of the retail price of food. It likely rose about 3 to 5 percent in 1984, up from 2.3 percent in 1983, but less than half the rise 3 years ago.

MARKETING COSTS

The food marketing cost index (MCI) measures changes in prices of the principal marketing inputs, including labor, packaging, transportation, and fuel and power. In the first 9 months of 1984, the MCI was 4.4 percent above a year earlier.

Direct labor accounts for about half of food marketing costs. With the decrease in the general inflation rate, increases in labor costs have been more moderate. Labor contract settlements in the food industry have included smaller wage and benefit increases and, in some instances, actual decreases. In addition, the minimum wage has not increased since January 1981. The labor component of the marketing cost index was expected to rise 3 to 4 percent for all of 1984, after having risen 10 percent 3 years ago.

Packaging, transportation, fuel and power, and other marketing costs rose at a combined rate of 5 percent in 1984. The strong rate of economic recovery increased demand for packaging materials, and prices averaged 10 percent above the previous year. Transportation rates also rose. In contrast, costs for fuel and power rose only slightly more than 1 percent. While prices for most energy sources remained steady, electricity rates increased about 5 percent.

In 1985, food marketing costs are expected to rise at about this year's rate. Many labor contracts of workers employed in food processing and retailing provide for wage increases of 3 to 4 percent next year. Moreover, the minimum wage probably won't rise next year. Slower growth in the economy is expected, moderating the demand for packaging and transportation. Energy prices are not expected to increase significantly, particularly if OPEC oil prices decline, which seems likely at this time. Any increase in energy costs will probably be for electricity.

RETAIL PRICE OUTLOOK BY COMMODITY

The Consumer Price Index (CPI) for food next year is expected to average 2 to 5 percent above 1984. Most farm foods are forecast to be in good supply, so little, if any, rise in farm prices is likely. Food marketing costs, as mentioned earlier, will rise 3 to 5 percent.

Rise in Food Prices To Moderate in 1985

	Change from Previous year					
	1980	1981	1982	1983	1984 p	1985 F
	Percent					
All food	8.6	7.9	4.0	2.1	4.0	2.5
Food away from home . .	9.9	9.0	5.3	4.4	4.3	3.6
Food at home	8.0	7.3	3.4	1.1	3.8	2.5

Little, if Any, Rise Likely in Farm Value

	Relative weight	Change from previous year					
		1980	1981	1982	1983	1984 p	1985 F
		Percent					
Retail cost	100	7.2	7.7	3.6	0.9	4.0	1.4
Farm value	33	5.5	2.8	1.1	-2.2	4.8	-2.1
Farm-to-retail price spread	67	8.3	10.5	5.0	2.3	3.6	3.5

p = preliminary, F = forecast.

Food Marketing Costs: Only Modest Growth

		Change from Previous year			
		1982	1983	1984 p	1985 F
		Percent			
Food marketing costs	5	3		4	3.5
Labor	7	4		3	3.4
Packaging	-2	2		10	4.6
Fuel and power	5	0		1	1.3
Transportation	7	1		4	4.6

p = preliminary, F = forecast.

Prices for Some Commodities May Increase Only Slightly; Some May Drop

	1982	1983	1984 F	1985 F
	Percent			
Consumer Price Indexes:				
Meat, poultry, and fish	4.0	-0.7	1.7	2.5
Meats	4.8	-1.1	0.4	3.7
Beef and veal	1.4	-1.5	1.4	1.4
Pork	12.9	-0.7	-1.3	5.8
Poultry	-1.8	1.2	10.2	-5.2
Fish and seafood	3.6	1.2	3.5	2.5
Eggs	-2.8	4.7	10.4	-17.14%
Dairy products	1.4	1.2	1.4	0.3
Fats and oils	-2.8	1.3	9.8	3.6
Fruits and vegetables	5.5	0.3	8.7	0.3
Sugar and sweets	-0.2	1.9	4.1	3.6
Cereals and bakery products	4.5	3.2	4.6	4.7
Nonalcoholic beverages	2.8	1.9	2.7	3.8

F = forecast.

Consumer demand will be more moderate, putting little pressure on retail prices. In general, the recent trend in moderate food price increases will likely continue through 1985.

• Beef and Veal

Supplies of beef are currently high and are expected to remain so through mid-1985. Slaughter of nonfed beef and beef cows this year, along with heavy placement of heifers in feedlots, indicates that producers are cutting back on the size of their breeding herds. This extra slaughter will result in large beef supplies for the next 3 to 6 months. Fed beef supplies will remain large in 1985. However, nonfed beef supplies should drop sharply.

In the long term, however, there will be a smaller base for beef production, and so supplies will eventually decrease. The liquidation process takes time, and the effect on retail prices is gradual.

Retail beef prices are forecast to increase gradually throughout the year as beef production slows down. By the fourth quarter of 1985, retail beef prices will be noticeably higher than now. Nevertheless, beef prices are expected to average only 1 to 4 percent above 1984. As in 1984, beef prices will be a strong force moderating increases in the overall CPI for food.

• Pork

Pork supplies were large this past fall, but dwindled through the holidays. Pork supplies in the first quarter of 1985 will be sharply lower than fourth-quarter 1984. As a result, pork prices may rise sharply after the first of the year. With reduced supplies of competing beef, particularly for use in processed meats, pork prices will remain stronger in 1985, even though total supplies will about equal the 1984 level. After the rise this winter, pork prices will remain fairly stable, with only slight projected increases in the second half of 1985.

• Poultry

Poultry supplies will likely increase next year, and the CPI for poultry is expected to average below 1984. Lower feed prices and the outlook for reduced red meat supplies have been inducements for producers to expand output. Although prices are expected to be down, returns to producers still could be positive because of lower feeding costs. For 1985, poultry prices are expected to average 2 to 5 percent less than a year earlier.

• Fish and Seafood

The CPI for fish and seafood is expected to rise modestly next year. Strong demand and a limited supply of crabs, shrimp, and scallops will keep prices strong next year, and will likely cause most of the increase. Supplies of tuna and salmon will be ample, and prices should remain stable.

• Eggs

Egg production increased substantially in the second half of 1984, and prices dropped sharply from last winter's highs that were the result of the avian flu. Egg prices will remain fairly stable at current levels through next year, averaging 14 to 17 percent below 1984.

• Dairy Products

Milk production is expected to rise slightly from 1984. Milk output per cow will likely increase because of lower feed prices and better feeding practices. The CPI for dairy products is not expected to change significantly from 1984. The farm value of dairy products will be lower in 1985, and therefore, any increase in retail prices will most likely be for the costs associated with processing and distribution.

• Fats and Oils

The CPI for fats and oils should moderate in 1985. Soybean production is up significantly from the drought-plagued 1983 crop. With some assurance of good supplies of vegetable oil, the ingredient costs of salad oils and shortening are not likely to increase. However, the CPI for fats and oils is still expected to rise 3 to 6 percent from 1984 because of increases in marketing costs.

• Fruit

Citrus production is forecast to be larger than last year's freeze-damaged crop, but it will still be below 2 years ago. Apple and winter pear production is down from last year. The CPI for fresh fruit will be down seasonally this winter, but will rise next summer as supplies of apples and citrus are drawn down.

Processed fruit prices are also likely to rise next year. Packers have bid grower prices up sharply this season in order to replace depleted inventories of frozen and canned fruit. Orange juice production in Florida is expected to be large this season, and imports of frozen concentrated orange juice will be

Expenditures on Food Keep Rising . . .

	Billions of current dollars				
	1981	1982	1983	1984 p	1985 F
Food	326.4	343.5	365.1	388.5	408.0
Food away from home	85.0	91.3	102.5	110.7	114.2
Food at home	241.5	252.2	262.6	277.7	293.8

. . . But Percent of Income Spent on Food Keeps Dropping

	Percent				
	1981	1982	1983	1984 p	1985 F
Food	16.0	15.8	15.6	15.0	14.6
Food away from home	4.2	4.2	4.4	4.3	4.1
Food at home	11.8	11.6	11.2	10.7	10.6
OPI (Billion current \$)	2,041.7	2,180.5	2,340.1	2,599.0	2,799.1

p = preliminary. F = forecast.

Food Consumption On The Rise Again

	1982	1983	1984 p	1985 F
	Pounds per person (retail weight)			
Total food	1,387	1,417	1,409	1,425
Animal products	570	582	582	585
Red meats	151	157	152	147
Beef and veal	79	80	79	75
Pork	59	62	61	60
Other	13	12	12	12
Poultry	64	66	67	70
Eggs	33	33	33	34
Dairy products	302	307	310	314
Other	20	20	20	20
Crop products	817	834	827	840
Cereal and bakery	150	151	150	150
Vegetable oils	49	50	48	49
Fruit	156	174	160	166
Vegetables	296	298	299	302
Sugar and sweets	134	136	139	141
Other	32	25	31	32

p = preliminary. F = forecast.

heavy again this year. Nevertheless, the CPI for processed fruit is expected to average 7 to 10 percent above 1984.

• Vegetables

A large fall potato harvest and increased winter vegetable acreage indicate good supplies of fresh vegetables this winter. Assuming normal weather, retail prices of fresh vegetables will average lower in 1985, compared with 1984's freeze-inflated levels.

The CPI for processed vegetables is likely to remain stable through 1985. Large carryover supplies of many canned and frozen vegetables and prospects of a large pack mean supplies will be large next year, putting little pressure on retail prices.

• Sugar and Sweets

The CPI for sugar and sweets rose about 4 percent in 1984. Candy and other sweets accounted for most of the rise. Prices for sugar have been stable because of the import quota and duty and fee system that protects domestic producers from the influence of very low world prices. The sugar support

price increase will put some upward pressure on retail sugar prices next year, but the increase is expected to be moderate.

● *Cereal and Bakery Products*

The CPI for cereal and bakery products is expected to rise 4 to 7 percent in 1985. Prices depend strongly on changes in food marketing costs, since farm ingredients account for only 12 percent of total costs. Therefore, marketing costs will likely be responsible for the expected price increase.

● *Nonalcoholic Beverages*

Nonalcoholic beverage prices will rise moderately in 1985, with most of the increase due to higher marketing costs. World supplies of coffee are expected to be ample because the weather has been favorable in coffee-growing countries. Soft drink prices will also rise, partly because of higher marketing costs and partly because of an increase in sweetener costs. Keen competition among soft drink bottlers, however, will dampen price increases somewhat.

FOOD EXPENDITURES

Personal consumption expenditures for food (excluding alcohol) were expected to total \$388.4 billion in 1984, up 6.4 percent from 1983. The increase likely resulted from the 4-percent rise in prices this year, some growth in population, and the continued large growth in away-from-home food consumption.

In 1985, personal consumption expenditures are expected to rise 4 to 6 percent. The slightly smaller rise anticipated for food prices will be primarily responsible for the smaller increase in expenditures.

Disposable personal income (DPI) was expected to rise nearly 9.1 percent this year, and many economists are forecasting an increase of about 8 percent in 1985, considerably more than the rise in food expenditures. Consequently, the percentage of income spent on food likely declined to 15 percent in 1984 and will probably drop to 14.6 percent in 1985. (Ralph L. Parlett (202) 447-8801)



World Agriculture and Trade

1985 EXPORT OUTLOOK

After reversing a 2-year decline in fiscal 1984, the value of U.S. agricultural exports is expected to drop to \$36.5 billion in fiscal 1985. Lower prices will offset anticipated increases in the volume of grains and soybeans. Export volume—which dropped a million tons in 1984—is expected to rebound to 149.5 million metric tons. A strong dollar will continue to restrain exports, as will larger foreign production. The dollar will also continue to buoy imports, which are forecast to rise marginally from fiscal 1984's record \$18.9 billion.

The largely export-led global recovery will likely slow in 1985. Japan is expected to remain the fastest growing foreign industrial economy, and if its growth shifts from export-led to domestic consumption, import needs will strengthen. However, comparatively little growth is likely in Europe, and unemployment there may grow before it declines. Conditions in developing countries are improving, but are hampered by weak commodity prices, high interest rates, and continued debt problems. Like last year, both the world's strongest economic growth and the highest increases in demand for U.S. farm products will be in Asia.

REGIONAL BREAKOUT

● *Western Europe*

Under the impact of record wheat, barley, and rapeseed harvests, U.S. agricultural exports to Western Europe are expected to decline to about \$8.7 billion in fiscal 1985. Soybean exports will likely rise slightly, and protein meal will remain about the same compared with fiscal 1984, both well under the fiscal 1983 total. Shipments of feed grains and wheat are forecast to fall dramatically, as the European Community (EC) becomes a net exporter of feed grains for the first time and significantly increases its wheat exports. Although European cotton use will continue to increase, larger domestic production and increased competition will lead to reduced imports of U.S. cotton.

● *Japan*

After reaching a record \$6.9 billion in fiscal 1984, U.S. agricultural exports to Japan are expected to decline in fiscal 1985, as prices drop and total volume remains nearly constant. Beef prices are expected to be an exception; moreover, beef volume will increase because of a U.S.-Japanese agreement. Feed grain exports may decline slightly from 1984's record because of competition from Argentina and China. China may also offer competition for U.S. cotton. However, because Japan probably won't increase cotton imports from the Soviet Union, the U.S. market share is expected to remain unchanged.

● *Oceania*

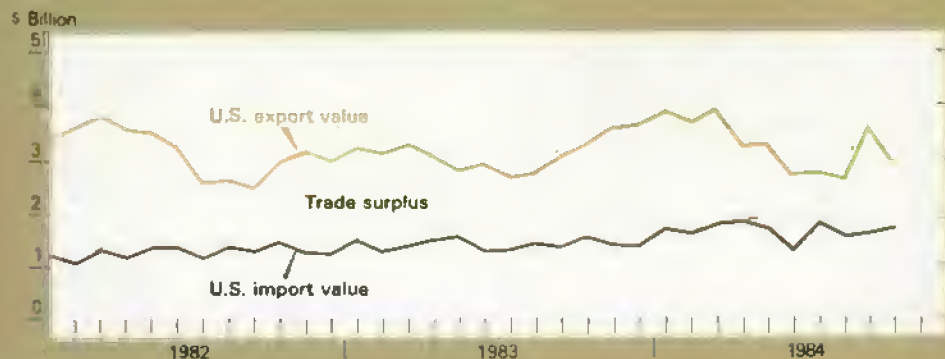
U.S. agricultural exports to Oceania are forecast to slip below \$200 million for the first time since fiscal 1980. Oilseeds and products will register steep declines, especially protein meal. Only fruit exports are projected to increase, while rice shipments will likely remain around the fiscal 1984 level.

● *Canada*

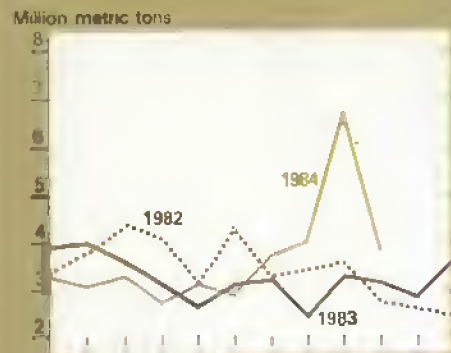
U.S. agricultural exports to Canada are expected to change little from fiscal 1984's \$1.9 billion. Feed grain exports should recover in light of a short Canadian barley crop, but they will remain below historical levels. Canada's soybean crop, on the other hand, has rebounded to a record, consequently reducing expected U.S. exports. Larger fruit exports are forecast. Cotton exports probably won't decline.

U.S. Agricultural Trade Indicators

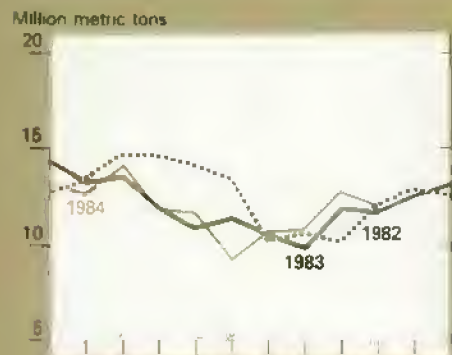
U.S. agricultural trade balance



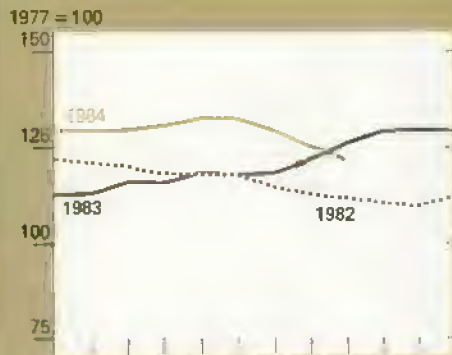
U.S. wheat exports



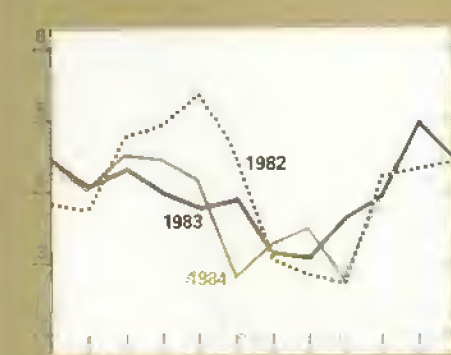
Export volume



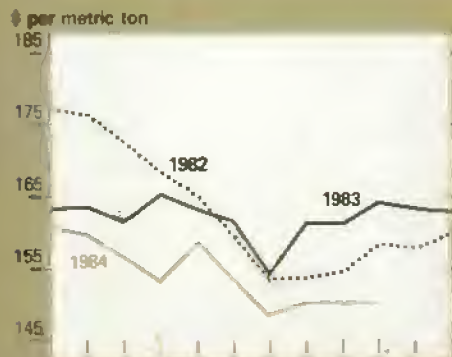
Export prices



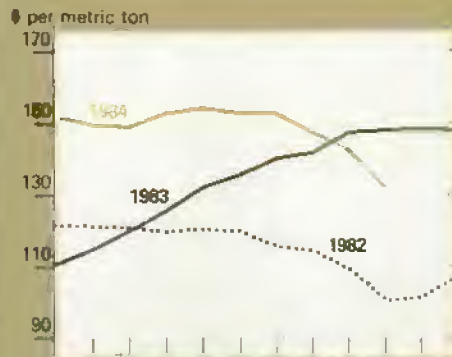
U.S. corn exports



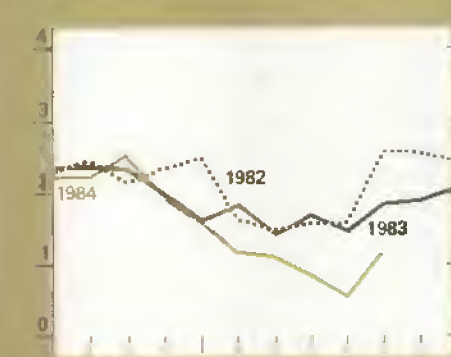
Wheat export unit value*



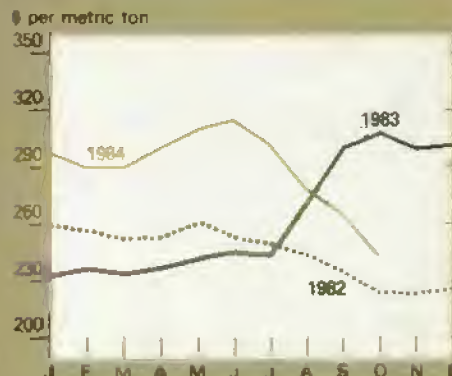
Corn export unit value*



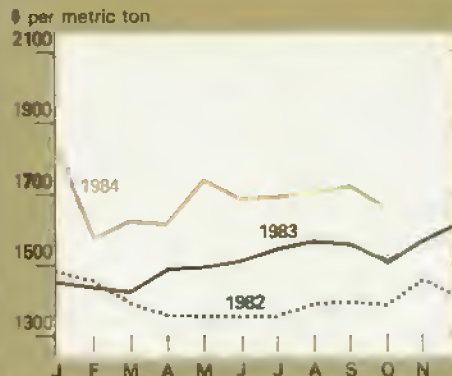
U.S. soybean exports



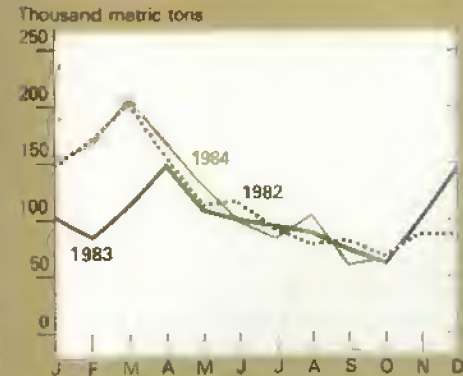
Soybeans export unit value*



Cotton export unit value*



U.S. cotton exports



*Value of U.S. exports divided by volume exported. Data on the wheat, corn, soybean, and cotton exchange rates are now included in the U.S. Agricultural Trade tables at the back of this issue.

• USSR

Following its sixth consecutive poor harvest, Soviet wheat and feed grain imports are projected at record or near-record levels for fiscal 1985. Because of record Soviet wheat purchases late last summer, U.S. wheat exports are expected to be lower in 1985, but feed grain exports will nearly double. The total export value is projected 10 percent above fiscal 1984's \$2.5 billion, and feed grains will likely account for almost two-thirds.

• Eastern Europe

U.S. agricultural exports to Eastern Europe are expected to decline again in fiscal 1985, as they have every year since 1981. Two exceptions are cotton and soybean meal. CCC credit to Yugoslavia for cotton has been increased from \$10 million in 1984 to \$70 million. In Poland, increasing livestock inventories and a lack of crushing capacity portend rising soybean meal needs and the prospect of U.S. sales. However, record grain and oilseed crops in Europe are expected to depress demand for other U.S. farm products.

• China

China's purchases of U.S. agricultural products are forecast to decline marginally in fiscal 1985. Exports to China now consist almost entirely of wheat, and the market is shared with Australia and Canada. Purchases from Argentina and the EC dropped recently as China's wheat import demand fell. Chinese grain, cotton, and oilseed crops again hit records this year. China has recently become a competitor in the Asian coarse grain, cotton, and soybean markets.

• Middle East

Agricultural exports to the Middle East could increase more than \$200 million. Strong gains are expected in feed grains and soybeans. Two of the fastest growing regional markets for U.S. farm products, Turkey and Iraq, have suffered drought, further boosting expected sales. Export of wheat and products to the Middle East are forecast up 3 million tons, with 1 million and 550,000 going to Iraq and Turkey, respectively.

• North Africa

U.S. agricultural exports to this region are forecast at \$1.7 billion, a 10-percent rise from fiscal 1984, despite

U.S. Agricultural Export Values by Region

	Fiscal years			
	1982	1983	1984 p	1985 F
	Billion dollars			
Western Europe	12.171	10.148	9.264	8.7
European Community	8.888	7.628	6.717	6.5
Other Western Europe	3.283	2.519	2.547	2.2
Eastern Europe . . . . .	.921	.827	.741	.6
USSR	2.322	.983	2.512	2.8
Asia	14.135	13.588	15.209	14.7
Middle East ¹	1.486	1.482	1.865	2.1
South Asia ² . . . . .	.711	1.170	.867	.6
Japan	5.735	5.888	6.935	6.5
China	1.819	.546	.692	.6
Other East Asia ³	3.176	3.293	3.631	3.7
Southeast Asia ⁴	1.208	1.203	1.218	1.2
Canada	1.869	1.870	1.936	1.9
Africa	2.450	2.272	2.868	2.8
North Africa ⁵	1.395	1.452	1.542	1.7
Sub-Saharan Africa	1.055	.821	1.327	1.1
Latin America	4.933	4.858	5.279	4.8
Mexico	1.493	1.777	1.967	1.5
Central America & Caribbean	1.107	1.130	1.223	1.2
South America	2.333	1.952	2.089	2.1
Oceania . . . . .	.264	.223	.216	.2
Total	39.095	34.769	38.025	36.5
Developed Countries ⁶	20.069	18.511	19.179	17.3
Less Developed Countries	13.964	13.904	14.901	15.2
Centrally Planned Countries	5.062	2.356	3.945	4.0

¹ Turkey, Cyprus, Syria, Lebanon, Iraq, Iran, Israel, Jordan, Kuwait, Saudi Arabia, Qatar, United Arab Emirates, Yemen (Sana), Yemen (Aden), Oman, and Bahrain. ² Afghanistan, India, Pakistan, Nepal, Bangladesh, and Sri Lanka. ³ Korea, Hong Kong, and Taiwan. ⁴ Burma, Thailand, Vietnam, Laos, Kampuchea, Malaysia, Singapore, Indonesia, Brunei, Philippines, and Macao. ⁵ Morocco, Algeria, Tunisia, Libya, and Egypt. ⁶ Western Europe, Japan, Canada, and Oceania. p = preliminary. F = forecast.

expected declines in soybeans, vegetable oil, and rice. Grains and feeds, which account for over three-quarters of the total value of exports to North Africa, are expected to increase significantly because of a buildup in livestock numbers and the expansion of U.S. blended credit. Morocco is forecast to import over 2 million tons of U.S. wheat, assisted by an extension of a \$250 million line of credit. Tobacco exports to Egypt should more than double in volume because of export sales guarantees and late shipments of 1984 purchases.

• Sub-Saharan Africa

After reaching a record \$1.3 billion in fiscal 1984, U.S. agricultural exports

are expected to decline in fiscal 1985, despite increased wheat exports following droughts in Ethiopia, Sudan, and Kenya, which has had its worst drought in over 50 years. Reduced South African imports are the main cause of the drop in U.S. exports; feed grain imports to the region are expected to decline sharply because of a recovering South African harvest. Tallow and vegetable oil exports are expected to increase in volume, though falling prices will lead to a decline in their value. Rice exports are forecast to decline, falling to about one-third of fiscal 1982's record value.

• South Asia

U.S. farm exports to South Asia are expected to drop substantially for the second straight year. More than half of this year's decline will be due to a

sharp decrease in wheat exports—the result of a record Indian harvest. Vegetable oil shipments are also expected to fall as world palm oil supplies recover, and cotton exports may drop considerably as Pakistan's crop rebounds. However, rice exports are forecast to rise substantially as concessional sales to Bangladesh expand.

• East Asia

Exports to middle-income East Asia (Hong Kong, Taiwan, and the Republic of Korea) are expected to increase slightly, as larger volumes offset declining prices. Economic growth in these export-dependent economies will likely slow, but will still be high compared with the rest of the world. Feed grain exports—which fell in fiscal 1984 because of reduced Korean demand—are expected to increase this year. Cotton shipments will also increase, but at a pace slower than fiscal 1984's 16 percent.

• Southeast Asia

U.S. agricultural exports may decline slightly from fiscal 1984's record \$1.2 billion. Wheat shipments should increase as the Philippines' imports move back to historical levels and the United States retains its market share of the region's largest wheat customer, Indonesia. Soybean meal imports are expected to decrease, however, as improved foreign exchange reserves broaden Philippine options. Lower prices should coax Indonesia into bigger soybean purchases, and GSM-102 credit guarantees to Thailand are expected to substantially increase cotton exports.

• Latin America

Though expected to exceed \$4.9 billion in fiscal 1985, U.S. farm exports to Latin America may still drop 6 percent. Wheat exports to Brazil will likely increase substantially because of that country's poor crop, but U.S. exports to Mexico could decline due to large feed grain supplies. Good harvests have also reduced the region's oilseed and rice needs.

IMPORTS TO REMAIN STRONG

The value of U.S. agricultural imports is expected to increase slightly from fiscal 1984's record, to \$19 billion. The major factor behind 1984's import rise—the strong U.S. dollar—will continue in 1985, leading to marginally increased import volume. (Steve MacDonald (202) 447-8841)



Inputs

FARM MACHINERY OUTLOOK

U.S. farmers likely purchased about \$7.4 billion of farm machinery in 1984. Annual nominal expenditures for farm machinery have declined 37 percent since 1979 and have been at depressed levels during the past 3 years. With farm finances not expected to improve next year, domestic demand for farm machinery could drop slightly from the 1984 estimate. Depending on interest rates, expenditures for farm machinery are projected to range from \$7.3 to \$7.8 billion in 1985.

Purchases in 1984 will likely total 60,900 units for over-40 horsepower (hp) two-wheel drive tractors and 3,700 units for all four-wheel drive tractors. These purchases are about 8 and 27 percent, respectively, below 1983 levels. Purchases of most grain and forage harvesting equipment also declined in 1984, totaling an estimated 10,000 units for self-propelled combines, 8,200 for balers (producing less than 200-pound bales), and 3,500 for forage harvesters.

Domestic purchases for 1985 are forecast between 57,800 and 65,100 units for over-40 hp two-wheel drive tractors and from 3,500 to 5,000 for all four-wheel drive tractors. Demand for combines and balers is not expected to improve appreciably, but purchases of forage harvesters should total 3,300 to 4,400 units.

For the past several years, U.S. farmers have been buying fewer and smaller powered tractors. Since 1979, when farm machinery expenditures were record high, total power capacity for over-40 hp tractor purchases declined from 15.3 million hp to 6.6 million in 1984. The weighted-average per-unit capacity for these purchases also has steadily declined, from a high of about 111 hp in both 1980 and 1981 to 102 in 1984. Given current financial projections, farmers are expected to continue to purchase smaller powered tractors in the near future.

Dealer Incentives Offered, But With Little Result

Farm machinery dealers are offering incentives to encourage purchases. These incentives include price discounts, cash rebates, fixed finance rates below current commercial ones, delayed financing, deferred payments, and variable maturity periods. Another incentive recently introduced by many firms is multi-year warranty coverage for new purchases.

Sales incentives, however, have not encouraged farmers with substantial debt or cash-flow problems to purchase new machinery. Without lower interest rates, continued improvement in the world economy, and a more competitive dollar for a sustained period, it is unlikely that demand for farm machinery will increase.

In response to the current situation, domestic farm machinery manufacturers are taking short- and long-term steps to reduce operating costs and overhead. Because gross receipts have declined for most machinery manufacturers, efforts to reduce costs and lower breakeven points have allowed them to remain in business. Still, the major problem threatening the financial well-being of most full-line firms is manufacturing capacity that far exceeds current and projected demand.

Recent production levels showed domestic firms operating between 25 and 30 percent of capacity. Even at these low levels, many firms continued to reduce output during fourth-quarter 1984. Production in some plants is not expected to resume next year until purchases reduce excess inventories.

Faced with a continued depressed market for farm machinery in 1985, some independent firms and parent companies have decided to concentrate long-term efforts in other markets.

Yet, other firms have announced plans to market new tractors. Given excessive machinery inventories, lower production, and projected depressed demand, some firms may permanently consolidate production in a dramatic fashion or drop out of the market altogether. (Michael Hanthorn (202) 475-3850)

1985 PESTICIDE OUTLOOK

Pesticide use is directly affected by planted crop acreage and the weather during the growing season. Actual 1985 crop acreage will be determined primarily by market developments and farmers' participation in commodity programs. Current projections are that crop acreage next season will be similar to 1984 or slightly higher.

U.S. farm demand for pesticides on major field crops could range from 500 to 545 million pounds (active ingredients) in 1985, compared with an estimated 505 to 510 million in 1984.

Herbicide use could range from 430 to 470 million pounds. Corn production will account for 55 percent of the herbicides used, followed by soybeans at 28 percent. In 1982, 95 percent of the corn acreage and 93 percent of the soybean acreage was treated with herbicides.

Insecticide use is forecast at 65 to 70 million pounds in 1985. Corn farmers are projected to apply about 30 million pounds, primarily for corn rootworm larvae control. Between 1971 and 1982, farmers annually treated 35 to 40 percent of corn acreage with insecticides.

Supplies Down Slightly

Total pesticide supplies for domestic use (excluding imports) in 1985 are projected to be down 1 percent from 1984. Production is forecast to be up 9 percent, but the stocks carried into the 1985 season are expected to be down 18 percent from a year earlier. Exports are projected to be up 6 percent, but they will be greatly influenced by the strong U.S. dollar.

Herbicide supplies are forecast to total 680 million pounds, down 4 percent from 1984. Nevertheless, supplies will be adequate to meet major field crop use. Insecticide supplies are projected up 11 percent, and fungicide supplies up 4 percent.

Prices Down for Some Pesticides

Pesticide prices quoted by manufacturers for 1985 are projected to be unchanged for herbicides, but down 3 percent for insecticides and 1 percent for fungicides. These are aggregate prices and do not reflect price changes for individual products.

At the farm level, herbicide prices declined an estimated 6 percent from May 1983 to May 1984, led by sharp reductions in prices for atrazine, trifluralin, and 2,4-D. Farm insecticide prices also dropped substantially between 1983 and 1984, primarily because of declines in synthetic pyrethroid prices. Fungicide prices have been stable in recent years. (Herman W. Delvo (202) 447-8308)

FERTILIZER

No dramatic changes in fertilizer consumption, supplies, or prices are anticipated in 1984/85. U.S. fertilizer consumption reached a record high in 1980/81, then declined about 23 percent over the next 2 years. Fertilizer use rebounded in 1983/84, as crop acreage increased after the PIK cut-back. A leveling off in crop acreage and small increases in application rates will keep 1984/85 plant nutrient use close to the previous year's level.

Prices: Only Small Advances Likely in 1985

Generally, fertilizer prices have followed a pattern similar to consumption. Prices stabilized or declined as consumption dropped during 1981/82-1982/83. With the recovery in fertilizer consumption during 1983/84, fertilizer prices in May 1984 were 7 percent higher than a year earlier. Overall, fertilizer prices in spring 1985 should show only a small advance from 1984 because of a relatively stable supply-demand situation.

Last spring, nitrogen prices, especially anhydrous ammonia, increased with higher fertilizer consumption and tight supplies. Domestic anhydrous ammonia producers with idle capacity waited for prices to rise before restarting their plants because of uncertainty concerning natural gas prices and long-term fertilizer prices. Without additional domestic production, imports were hard pressed to meet increased U.S. farm needs for nitrogen fertilizer.

The rise in nitrogen fertilizer prices was abruptly terminated when weather-delayed planting allowed supplies to build. Thus, nitrogen supplies that were tight became abundant. Consequently, prices leveled off in May and June, and then declined seasonally in the summer and fall.

Phosphate fertilizer prices rose in response to higher use and a continued recovery in the world phosphate market. Phosphate fertilizer price increases were dampened, however, by more-than-adequate production capacity. Excess supplies caused October 1984 prices to drop back to May 1983 levels.

Potash prices moved up during 1983/84, but these increases were under a lot of pressure from excessive producer inventories. Adequate North American production capacity maintained plentiful supplies, even with increased U.S. and world demand.

Supplies To Expand

U.S. nitrogen production should increase in 1984/85, as domestic producers expand output. Stable natural gas prices are helping to make production costs more certain and to improve the competitive position of the domestic industry. Increased domestic production of nitrogen fertilizer should keep 1984/85 imports close to a year earlier. In addition, U.S. nitrogen exports are expected to stay around the 1983/84 level.

U.S. phosphate fertilizer production is forecast to rise about 4 percent in response to greater demand here and abroad. Exports could be up nearly 5 percent, as the world market continues to recover from 1981/82's depressed level.

The potash supplies needed to meet greater demand in 1984/85 will come from increased production and imports. U.S. production could be up about 10 percent, while imports will likely rise less than 5 percent. (Paul Andrienas (202) 475-4787)

Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the January/February *Agricultural Outlook* comes off press.

January

- 4 Celery
- Poultry Slaughter
- 7 Dairy Products
- 10 Vegetables
- 11 Crop Production
- Turkey Hatchery
- 14 Turkeys
- 15 Potato Stocks
- 17 Milk Production
- 22 Catfish
- 25 Livestock Slaughter
- Cattle on Feed
- Cold Storage
- 28 Eggs, Chickens, & Turkeys
- 29 Sheep and Goats
- 30 Crop Values
- 31 Agricultural Prices

February

- 1 Egg Products
- Poultry Slaughter
- 4 Dairy Products
- 6 Celery
- 11 Crop Production
- Cattle
- Grain Stocks
- Rice Stocks
- 13 Turkey Hatchery
- 14 Potato Stocks
- Milk Production
- 15 Prospective Plantings
- Sugar Market Statistics
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Patterns of Change in the Metro and Nonmetro Labor Force, 1976-82. RDRR-44. 28 pp. December 1984. (Price \$2.00).

Food Consumption, Prices, and Expenditures, 1963-83. SB-713. 116 pp. November 1984. (Price \$4.50).

Turning Great Plains Crop Residues and Other Products into Energy. AER-523. 48 pp. November 1984. (Price \$2.25).

Foreign Exchange Constraints to Trade and Development. FAER-209. 60 pp. November 1984. (Price \$2.25).

Energy Potential from Livestock and Poultry Wastes in the South. AER-522. 48 pp. November 1984. (Price \$2.25).

Agricultural Progress in Ecuador, 1970-82. FAER-208. 52 pp. November 1984. (Price \$2.25).

Energy's Role in Western Europe's Agriculture. FAER-207. 36 pp. November 1984. (Price \$1.75).

Improving U.S. Farmland. AIB-482. 12 pp. November 1984. (Price \$1.00).

NOTICE:

Annual SRS Reports Due Soon

Annual reports from the Crop Reporting Board will start being issued in January. These reports will summarize statistics gathered during 1984 for the various commodity groups and other special series. Below is a listing of release dates for the 1985 annuals.

January

- 14 Noncitrus Fruits & Nuts
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March

- 15 Livestock Slaughter
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- 20 Cold Storage

April

- 3 Meat Animals: Production, Disposition, & Income
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May

- 3 Dairy Products
- 7 Milk: Production, Disposition, & Income

June

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- 23 Farm Production Expenditures, 1984

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Price Support Legislation Since the 1981 Farm Bill

With the 1985 farm bill coming up, a review of the agricultural price support laws passed since the 1981 Act may be useful in understanding the new bill.

The Agriculture and Food Act of 1981 was comprehensive legislation designed to last 4 years, but in the interim, it has gone through several modifications. This is not a new trend in policymaking. All of the major recent farm acts have been somewhat rewritten to reflect changing conditions.

But Congressional revisions to the 1981 Act have gone well beyond the usual fine tuning. These major changes have been the result of economic developments, the weather, and new policy decisions.

The 1981 Act was written during considerable conflict over the direction of agricultural policy. Farmers saw relative prosperity during most of the 1970's because of strong foreign demand. But by 1981, prices for grain and cotton had begun to drop; U.S. export prospects were dimmed by the partial suspension of agricultural shipments to the Soviet Union; interest rates had risen sharply; and food

prices had increased. These changes, along with rising Government expenditures for price support and related activities, made Congress more cost-conscious in its approach to agricultural programs.

Most farm organizations favored higher target prices and loan levels, as well as protection against future embargoes. When the Reagan Administration took office, it made reducing Government expenditures and involvement its highest priority, and agriculture became an early test of that policy.

Little Change Emerged From the Debate

The farm bill submitted by the Administration in March 1981 proposed to cut the agricultural budget and put more reliance on the marketplace by eliminating target prices and disaster payments, lowering dairy price supports, and reducing expenditures for food stamps. It would also have given the Secretary of Agriculture more discretion in setting loan levels and would have opened rice and peanut production to non-allotment holders.

What emerged from Congress after nearly a year of intense negotiations between farm groups, USDA, and members of both Houses was more an extension of the Food and Agriculture Act of 1977 than a major new departure. The dual system of price support by target prices and nonrecourse loans remained, as did the farmer-owned grain reserve and traditional mechanisms for reducing planted acreage.

Nevertheless, some significant steps were taken that were expected to cut the budget. Because it was assumed that inflation would continue, the 1981 Act broke away from the automatic cost-of-production adjustments in target prices and instead set specific targets for each year (1982 to 1985) at levels thought to be below the inflation rate. These were well below what some farm groups had asked for. In addition, the Secretary retained previous authority to lower as well as raise loan levels according to market conditions.

The dairy program received particular attention. In 1970, dairy support had been \$4.66 per cwt; by 1980, support had reached \$13.10. The 1977 Act had guaranteed support prices of at least 80 percent of parity, but in 1981, they were set at about 69 percent of parity for the following year.

In other cost-cutting moves, wool and mohair supports were lowered, and the food stamp program was substantially reduced. In addition, farmers received stronger embargo protection and several provisions that were designed to promote exports.

1982 Was Different Than Expected

What happened after 1981 surprised and dismayed the framers of the Act. Good weather in 1982 produced bumper crops of grain and other commodities. Meanwhile, exports dropped for the first time in nearly a decade because of a worldwide recession and a strong dollar. Net farm income fell sharply after a strong showing in 1981, and grain stocks hit records. Government payments to farmers, instead of dropping as hoped, rose to their highest since the 1960's.

These conditions led the Department to fall back on acreage controls to lower production. An unpaid reduction of 10 percent for feed grains and 15 percent for wheat, cotton, and rice was announced for 1982 crops. Furthermore, when the Omnibus Budget Reconciliation Act of 1982 was passed in September, it required an even larger reduction for 1983—15 percent for corn and 20 percent for wheat and rice, 5 percent of which was to be in paid diversion. The Act also raised loan levels for wheat and corn.

PIK Begins

In fall 1982, the Department put together plans for the most dramatic attempt to slash agricultural production in a generation. The payment-in-kind (PIK) program aimed to simultaneously reduce production and Government expenditures by paying farmers who took land out of production with commodities held by the Commodity Credit Corporation (CCC).

The PIK program first required farmers to enter 20 percent of their crop base in the acreage reduction and paid diversion programs to qualify for Government support. Then, they had the option of diverting 10 to 30 percent more for PIK payments. They were to be paid in crops at rates of 80 percent of the normal yield for corn, rice, upland cotton, and grain sorghum and 95 percent for wheat. Farmers could also bid to take their whole base acreage of a PIK crop out of production. Unlike other Government programs, PIK payments were not covered under the \$50,000 per-person limit.

As with the 1981 Act, events following the announcement of PIK took an unexpected turn. The high payments for PIK acreage, which greatly exceeded PIK payments of the 1960's, encouraged a much bigger sign-up than originally anticipated. Farmers pledged enough land to idle over a third of the acreage normally planted with PIK crops. This, in turn, led to greater-than-expected costs; \$5.2 billion of Government commodities went to PIK payments in 1983, along with \$4.1 billion in direct cash payments.

To top it off, actual production turned out to be much less than forecast because of a drought worse than any since the 1930's. Prices rose for most PIK commodities except wheat, but farmers benefited unevenly, with those in the PIK program generally better off. By the end of the marketing year, feed grain stocks had fallen more than two-thirds, and cotton stocks by nearly that percentage. Wheat stocks were diminished only slightly because wheat was largely unaffected by the drought.

More Changes for Grains and Cotton in 1984

The Agricultural Programs Adjustment Act of 1984 combined a budget-cutting freeze in target prices with further adjustments in acreage diversions for PIK crops. The wheat target price for 1984 and 1985 was lowered to \$4.38 a bushel, while 1985 target prices for corn, upland cotton, and rice were frozen at 1984 levels. The Act also provided for acreage reductions based on the results of the PIK program.

For wheat, for which surpluses were still a problem, an acreage reduction of 20 percent and a paid 10-percent diversion were required of participants in both 1984 and 1985. A 10- to 20-percent PIK program was included for 1984 wheat, with payments of 85 percent of normal yields and a payment limit of \$50,000.

Prices, Programs, and Production

	Avg. market price	Loan level ^a	Target Price	Production	Carryover
		Dollars		8il. bu.	
Corn					
1980/81	3.11	2.25	¹ 2.35	6.6	1.0
1981/82	2.50	2.40	2.40	8.1	2.2
1982/83	2.68	2.55	2.70	8.2	3.1
1983/84	3.25	2.65	2.86	4.2	0.8
1984/85	2.85F	2.55	3.03	7.7F	1.1F
Wheat					
1980/81	3.91	3.00	¹ 3.63	2.4	1.0
1981/82	3.65	3.20	3.81	2.8	1.2
1982/83	3.55	3.55	4.05	2.8	1.5
1983/84	3.54	3.65	4.30	2.4	1.4
1984/85	3.45F	3.30	4.38	2.5F	1.3F
		Cents		Mil. bales	
Upland cotton					
1980/81	74.4	48.0	58.4	11.0	2.6
1981/82	54.0	52.5	70.9	15.6	6.6
1982/83	59.1	57.1	71.0	11.9	7.8
1983/84	66.1	55.0	76.0	7.7	2.7
1984/85		55.0	81.0	13.2F	4.7F

F = forecast. ^a Loan levels for corn and wheat not in farmer-owned reserve. ¹ For 1980/81 target prices for corn and wheat were for full compliance.

For corn, an acreage diversion of between 5 and 20 percent, at the Secretary's discretion, was provided for the 1985 crop if ending stocks on September 30, 1985, were estimated to exceed 1.1 billion bushels. At least 5 percent of the reduction was to be a paid diversion.

Similarly, for 1985 rice, an acreage reduction of at least 25 percent (20 percent unpaid) was to go into effect if the July 31, 1985, carryover was estimated to exceed 25 million cwt. For 1985 upland cotton, a paid diversion of at least 5 percent was to go into effect if the July 31, 1985, carryover was estimated to exceed 3.7 million bales. An unpaid acreage reduction of up to 20 percent could also be required.

Dairy and Tobacco Programs Undergo Changes

Congress also tried to reduce the cost of Government programs in other areas. The 1982 Omnibus Budget Reconciliation Act made further revisions in the dairy program. Dairy price supports for 1983 and 1984 were frozen at \$13.10, which was the level guaranteed for 1982. The 1985 level was to be at the same parity percentage that \$13.10 equaled on October 1, 1983. In addition, the Secretary was authorized to make two 50-cent deductions from price support payments each fiscal year between 1982 and 1985 if Government purchases of surplus dairy products exceeded certain levels.

The No Net Cost Tobacco Program Act of 1982 aimed to ensure that the tobacco program would not cost the Government anything more than the expense of administering it.

The Act required farmers to pay into a fund administered by tobacco cooperatives, which would reimburse the Government. The Secretary was permitted to reduce price supports on grades in surplus, and flue-cured growers were allowed to sell up to 10 percent of their production at unsupported prices in surplus years. The Act also made it more difficult for nonfarming investors to own tobacco allotments.

The dairy and tobacco programs underwent further changes in 1983. Despite attempts to reform it, the dairy program continued to operate at a large cost because of excess production.

The Dairy and Tobacco Adjustment Act of 1983 tried a new approach. It established a voluntary diversion program and included a 50-cent-per-cwt deduction on all marketed milk. The program would run concurrently with the diversion program. The 15-month diversion paid dairy farmers \$10 per cwt for reducing milk production 5 to 30 percent.

Also under the Adjustment Act, dairy price supports were reduced to \$12.60 per cwt until September 30, 1985, with additional 50-cent-per-cwt drops possible on April 1, 1985, and July 1, 1985, if Government purchases remained excessive. Since then, one of the two 50-cent assessments was eliminated.

For tobacco, Congress had frozen 1983 support prices at 1982 levels. In the Adjustment Act, this was extended into 1984 for flue-cured tobacco, and 1984 burley support could not be altered in any way that would narrow the gap between it and flue-cured support. The Secretary could reduce supports for lower grade tobacco if it became necessary to facilitate marketing. Further changes in the tobacco quota system exempted certain categories of owners from mandatory sale, and prevented flue-cured quotas from being leased after 1986 or burley quotas from being leased in the fall.

Outlook for the New Farm Bill

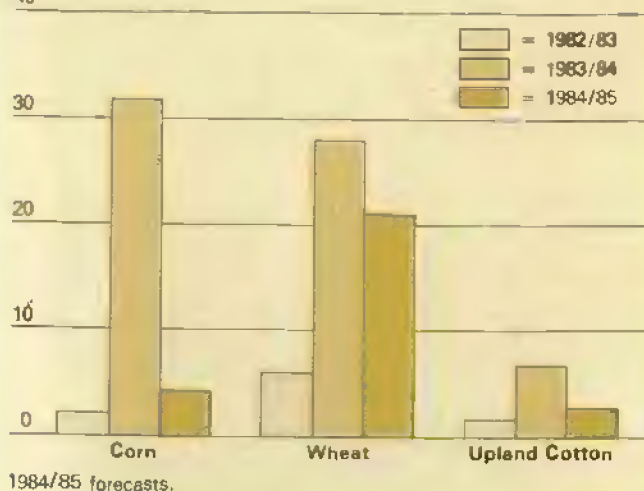
Although there have been a number of changes in the Department's price support programs since 1981, neither the costs nor the surplus problems have been overcome.

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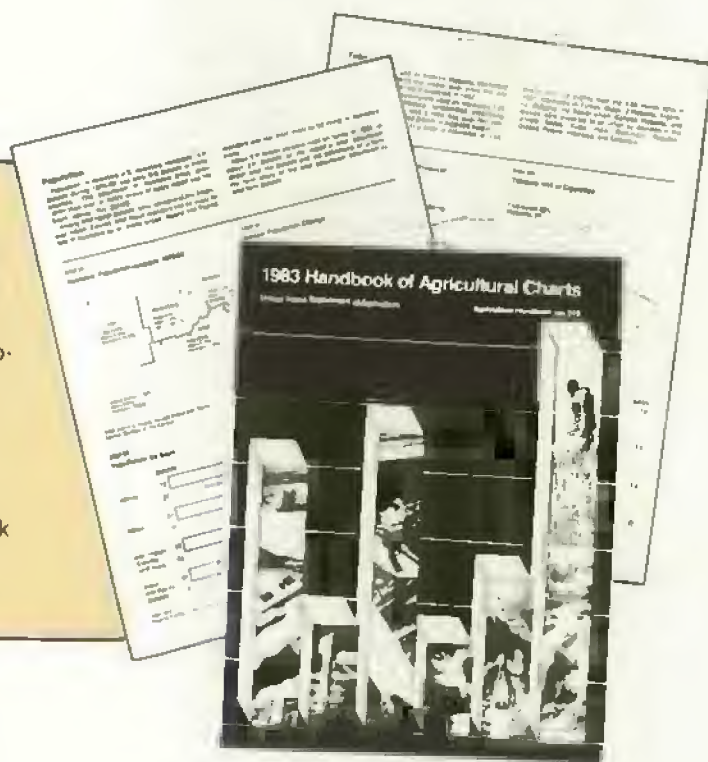
Acreage Set Aside Under Commodity Programs

Million acres



Government payments to farmers under 1984 price support programs are expected to be below 1983's \$9.3 billion, but still well above the average for the 1970's. Production forecasts for 1984 and 1985 show that output has rebounded since PIK. Therefore, policymakers in 1985 will face a budget problem similar to that in 1981 and a surplus production problem that is worse.

The diversity of opinion about farm policy that made the Agriculture and Food Act of 1981 so difficult to pass is still present today. Thus, writing a farm bill that will endure for 4 years without substantial revision will be at least as much of a challenge in 1985 as it was in 1981. (Douglas E. Bowers (202) 447-2474)



Statistical Indicators

Summary Data

Key statistical indicators of the food and fiber sector

	1983	1984				1985			
	Annual	I	II	III	IV F	Annual F	I F	II F	Annual F
Prices received by farmers (1977=100)	134	144	145	142	135	141	138	140	—
Livestock and products	141	151	146	143	140	147	146	148	—
Crops	127	137	143	141	130	137	129	131	—
Prices paid by farmers, (1977=100)									
Prod. Items	153	156	157	155	153	155	157	161	159
Commodities and services, int., taxes, and wages	161	165	166	165	164	165	168	171	170
Cash receipts ¹ (\$ bil.) [*]	139	134	139	149	140-144	139-143	138-142	142-146	142-147
Livestock (\$ bil.)	69	73	70	71	69-73	70-74	70-74	69-73	71-75
Crops (\$ bil.)	70	61	69	78	69-73	68-72	66-70	71-75	70-74
Market basket (1967=100)									
Retail cost	269	279	278	280	280	280	284	286	287
Farm value	240	258	254	251	244	252	249	249	250
Spread	286	292	293	297	302	296	304	307	309
Farm value/retail cost (%)	33	34	34	34	32	33	33	32	32
Retail prices (1967=100)									
Food	292	301	302	304	306	303	310	313	315
At home	282	292	292	293	295	293	298	300	302
Away-from home	320	329	332	335	338	334	341	346	348
Agricultural exports (\$ bil.) ²	34.8	10.7	8.9	8.2	10.2	38.0	10.2	8.9	36.5
Agricultural imports (\$ bil.) ²	16.4	5.0	4.7	5.0	4.5	18.9	4.5	4.4	19.0
Livestock and products									
Total livestock and products (1974=100)	115.1	112.4	116.7	114.9	115.6	114.9	111.8	115.6	115.1
Beef (mil. lb.)	23,060	5,709	5,819	5,949	6,000	23,477	5,650	5,350	22,575
Pork (mil. lb.)	15,117	3,737	3,670	3,354	3,875	14,636	3,625	3,600	14,575
Vest (mil. lb.)	428	116	113	122	115	466	100	90	385
Lamb and mutton (mil. lb.)	367	98	92	88	88	366	85	80	320
Red meats (mil. lb.)	38,972	9,660	9,694	9,513	10,078	38,945	9,460	9,120	37,855
Broilers (mil. lb.)	12,389	3,082	3,350	3,335	3,180	12,948	3,275	3,500	13,550
Turkeys (mil. lb.)	2,563	432	589	775	750	2,546	480	650	2,760
Total meats and poultry (mil. lb.)	53,924	13,174	13,833	13,623	14,008	54,438	13,215	13,270	54,165
Eggs (mil. dz.)	5,655	1,401	1,408	1,426	1,460	5,695	1,450	1,450	5,820
Milk (bil. lb.)	140.0	34.1	35.8	33.6	32.5	136.1	33.0	36.3	137.3
Choice steers, Omaha (\$/cwt.)	62.37	67.58	66.01	64.28	63-64	65-66	64-68	65-71	64-70
Barrows and gilts, 7 markets (\$/cwt.)	47.71	47.68	48.91	51.21	47-48	48-49	48-52	48-54	48-54
Broilers-wholesale, 12-clty weighted avg, dressed (cts./lb.)	—	61.8	56.4	54.1	49-50	55-56	48-52	49-55	48-54
Turkeys-wholesale, N.E., B-16 lb. hens, dressed (cts./lb.)	60.5	67.7	66.9	72.4	89-91	74-75	73-77	67-73	67-73
Eggs, N.Y. Gr. A large, (cts./dz.)	75.2	103.4	83.4	70.1	69-70	81-82	66-70	62-68	66-72
Milk, all at farm (\$/cwt.)	13.57	13.40	12.97	13.20	13.90-14.10	13.35-13.40	13.50-13.90	12.60-13.20	12.60-13.30
Crop prices at the farm ³									
Wheat (\$/bu.)	3.54	3.46	3.58	3.38	—	3.35-3.55	—	—	—
Corn (\$/bu.)	3.30	3.16	3.34	3.11	—	2.60-2.85	—	—	—
Soybeans (\$/bu.)	7.87	7.61	7.98	6.51	—	6.00-7.00	—	—	—
Upland cotton (cts./lb.)	61.7	66.3	69.2	65.9	—	—	—	—	—

¹ Quarterly cash receipts are seasonally adjusted at annual rates. ² Annual data are based on Oct.-Sept. fiscal years ending with the indicated year. ³ Quarterly prices are simple averages; annual prices are for marketing year beginning in year indicated. F = Forecast. Numbers may not add to totals due to rounding. *Seasonally adjusted at annual rates.

Farm Income

Farm income statistics

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984 F	1985 F
	\$ Bil										
Receipts											
Cash receipts:											
Crops ¹	45.8	49.0	48.6	53.7	63.2	72.7	73.3	74.6	69.5	68 to 72	70 to 74
Livestock	43.1	46.3	47.6	59.2	68.6	67.8	69.2	70.1	69.2	70 to 74	71 to 75
Total	88.9	95.4	96.2	112.9	131.8	140.5	142.6	144.8	138.7	139 to 143	142 to 147
Other cash income ¹	1.8	1.8	3.0	4.3	2.9	2.8	3.8	5.5	10.8	8 to 12	6 to 10
Gross cash income	90.7	97.1	99.2	117.2	134.7	143.3	146.4	150.2	149.6	150 to 154	150 to 155
Nonmoney income ²	6.5	7.3	8.4	9.2	10.7	12.4	13.6	14.2	13.6	12 to 14	12 to 14
Realized gross income	97.2	104.4	107.6	126.4	145.4	155.7	160.0	164.4	163.2	163 to 167	163 to 168
Value of inventory chg.	3.4	-1.5	1.1	.8	4.9	-5.5	7.9	-2.6	-11.7	6 to 10	-2 to 2
Total gross income	100.6	102.9	108.7	127.2	150.4	150.2	167.9	161.8	151.4	171 to 175	163 to 168
Expenses											
Cash expenses ⁴	61.7	67.8	72.0	81.0	97.2	105.6	111.4	113.4	109.5	115 to 117	118 to 122
Total expenses	75.0	82.7	88.9	99.5	118.1	128.9	136.9	139.5	135.3	141 to 143	142 to 147
Income											
Net cash income	29.0	29.3	27.3	36.2	37.5	37.7	35.0	36.8	40.1	34 to 38	31 to 36
Total net farm income	25.6	20.1	19.8	27.7	32.3	21.2	31.0	22.3	15.1	29 to 33	19 to 24
Deflated total net farm income ⁵	20.4	15.2	14.1	18.4	19.7	11.9	15.9	10.8	7.5	13 to 15	8 to 10
Off-farm income	23.9	26.7	26.1	29.7	35.3	37.6	39.8	39.4	41.0	41 to 45	43 to 47

F = Forecast. ¹ Includes net CCC loans. ² Income from machine hire and custom work, farm recreational income, and direct government payments. ³ Imputed gross rental value of farm dwellings and value of home consumption. ⁴ Excludes depreciation of farm capital, perquisites to hired labor, and expenses associated with farm dwellings, and includes net rent to all landlords. ⁵ Deflated by the GNP implicit price deflator, 1972=100. Totals may not add due to rounding.

Cash receipts from farming

	1983				1984								
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
Farm marketings and CCC loans ¹	12,063	14,332	13,894	12,372	12,335	9,666	10,431	9,066	9,961	9,478	10,604	10,989	11,531
Livestock and products	5,752	6,021	5,787	5,792	6,076	5,835	6,295	5,794	6,175	5,758	5,384	5,729	5,685
Meat animals	3,152	3,244	3,217	3,190	3,351	3,364	3,665	3,482	3,546	3,242	2,739	3,256	3,163
Dairy products	1,494	1,541	1,502	1,513	1,563	1,461	1,557	1,520	1,594	1,519	1,493	1,487	1,447
Poultry and eggs	898	954	958	997	1,039	931	1,001	692	938	903	918	903	876
Other	208	282	110	92	123	82	94	100	97	94	234	83	199
Crops	6,311	8,311	8,107	6,580	6,259	3,828	4,114	3,272	3,786	3,720	5,220	5,260	5,846
Food grains	866	878	691	583	510	390	472	345	274	852	1,653	1,383	1,069
Feed crops	1,243	979	1,575	1,237	1,562	971	700	591	667	932	1,152	979	1,191
Cotton (lint and seed)	182	892	963	917	635	247	138	-202	-14	-19	25	149	130
Tobacco	549	289	395	453	343	36	12	20	0	0	10	553	525
Oil-bearing crops	1,093	2,769	2,001	1,216	1,621	689	1,121	751	1,133	403	571	454	569
Vegetables and melons	990	1,019	631	653	613	560	689	738	711	533	663	789	979
Fruits and tree nuts	729	738	726	612	427	413	311	225	374	590	694	516	725
Other	659	747	1,125	909	548	522	671	804	641	429	452	437	658
Government payments	854	1,195	1,418	1,803	848	1,892	1,896	442	143	214	400	174	103
Total cash receipts ²	12,917	15,527	15,312	14,175	13,183	11,558	12,327	9,508	10,104	9,692	11,004	11,163	11,634

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Cash receipts estimates reported in this issue for 1983 contain revisions due to a more complete accounting for CCC loans repaid, which has the effect of reducing sales.

Cash receipts¹ from farm marketings, by States, January-September

State	Livestock and products		Crops ²		Total ²	
	1983	1984	1983	1984	1983	1984
\$Mil.						
North Atlantic						
Maine	184.1	188.5	109.2	136.7	293.3	325.1
New Hampshire	59.0	58.0	26.8	27.5	85.8	85.5
Vermont	297.0	284.1	28.2	28.4	325.1	312.6
Massachusetts	102.2	101.5	140.9	140.9	243.1	242.4
Rhode Island	9.3	9.2	12.8	12.7	22.0	21.9
Connecticut	147.0	163.9	94.9	96.3	241.9	260.1
New York	1,451.0	1,433.5	529.7	507.3	1,980.7	1,940.8
New Jersey	101.3	100.3	313.8	284.8	415.1	385.1
Pennsylvania	1,659.4	1,668.5	556.9	554.5	2,216.3	2,223.0
North Central						
Ohio	1,129.4	1,207.6	1,451.7	1,239.0	2,581.1	2,446.6
Indiana	1,338.9	1,357.1	1,514.2	1,085.9	2,853.1	2,443.0
Illinois	1,727.5	1,621.2	4,707.0	3,301.9	6,434.5	4,923.1
Michigan	930.9	926.8	1,100.9	998.5	2,031.8	1,925.3
Wisconsin	3,153.3	3,076.1	724.5	653.3	3,877.8	3,729.4
Minnesota	2,492.1	2,364.2	2,099.5	1,503.6	4,591.6	3,867.8
Iowa	4,092.3	3,744.6	3,182.5	2,126.1	7,274.7	5,870.7
Missouri	1,669.6	1,664.7	1,089.4	1,043.2	2,759.0	2,707.8
North Dakota	464.2	465.2	1,485.9	1,205.6	1,950.1	1,670.7
South Dakota	1,224.5	1,189.8	688.2	722.3	1,912.7	1,912.1
Nebraska	3,090.1	3,040.8	1,621.0	1,038.0	4,711.0	4,078.9
Kansas	2,645.9	2,878.5	1,714.7	1,611.2	4,360.7	4,489.7
Southern						
Delaware	228.1	287.8	75.4	78.2	303.5	366.0
Maryland	511.1	579.6	224.4	206.6	735.4	786.2
Virginia	625.7	669.9	355.0	350.9	980.6	1,020.8
West Virginia	127.2	124.8	33.1	31.4	160.2	156.2
North Carolina	1,208.2	1,347.7	1,402.8	1,450.0	2,610.9	2,797.8
South Carolina	296.0	323.1	450.6	519.6	746.6	842.7
Georgia	1,269.8	1,374.7	861.9	838.4	2,131.7	2,213.1
Florida	742.0	746.4	2,599.2	2,525.3	3,341.2	3,271.7
Kentucky	1,018.1	978.8	640.1	553.9	1,658.2	1,532.7
Tennessee	660.2	657.5	500.9	445.3	1,161.1	1,102.8
Alabama	949.3	1,013.1	440.4	393.0	1,389.7	1,406.1
Mississippi	684.4	729.5	554.7	443.1	1,239.1	1,172.6
Arkansas	1,101.9	1,236.4	606.6	617.7	1,708.4	1,854.1
Louisiana	360.6	368.9	449.4	471.8	809.9	840.7
Oklahoma	1,231.8	1,247.8	756.6	715.9	1,988.4	1,963.7
Texas	4,143.3	4,735.1	2,478.9	2,200.4	6,622.2	6,935.6
Western						
Montana	418.8	408.8	621.9	474.8	1,040.6	883.6
Idaho	640.7	636.7	604.4	762.3	1,245.1	1,399.0
Wyoming	310.5	315.6	63.6	67.1	374.1	382.7
Colorado	1,422.1	1,443.5	610.6	690.5	2,032.7	2,134.0
New Mexico	404.2	392.0	190.8	191.7	595.0	583.7
Arizona	527.7	583.7	561.7	507.8	1,089.4	1,091.5
Utah	338.0	343.8	99.2	93.4	437.2	437.2
Nevada	111.3	115.9	49.2	48.4	160.5	164.2
Washington	719.8	748.9	1,377.7	1,432.8	2,097.6	2,181.7
Oregon	406.5	412.0	770.1	850.1	1,176.7	1,262.2
California	3,106.5	3,319.4	5,606.1	5,693.1	8,712.5	9,012.4
Alaska	5.6	5.6	5.4	5.4	11.0	11.0
Hawaii	65.2	65.1	335.2	331.4	400.4	396.5
United States	51,603.3	52,756.2	46,518.5	41,307.8	98,121.8	94,064.0

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm marketing indexes (physical volume)

	Annual			1983	1984					
	1981	1982	1983 p	Sept	Apr	May	June	July	Aug	Sept
1977=100										
All commodities	111	120	110	109	97	118	101	114	106	107
Livestock and Products	103	104	106	104	104	112	108	102	102	101
Crop	119	136	114	113	88	127	92	126	109	112

p = preliminary. Volume of marketing indexes reported in this issue for 1983 contains revisions due to a more complete accounting for CCC loans repaid, which has the effect of reducing sales.

Farm production¹

Item	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984 ²
1977=100										
Farm output	95	97	100	104	111	103	118	114	93	109
All livestock products ³	95	99	100	101	104	108	109	107	109	108
Meat animals	97	100	100	100	103	107	106	101	103	103
Dairy products	94	98	100	99	101	105	108	110	114	111
Poultry and eggs	92	98	100	106	114	115	119	119	120	123
All crops ⁴	93	92	100	102	113	101	116	118	87	110
Feed grains	91	96	100	108	116	97	121	124	66	113
Hay and forage	100	94	100	106	108	98	106	110	100	107
Food grains	108	107	100	93	108	121	144	140	116	128
Sugar crops	114	112	100	101	94	97	107	96	93	95
Cotton	58	74	100	76	102	79	109	85	54	92
Tobacco	114	112	100	106	80	93	108	104	75	91
Oil crops	86	74	100	105	129	99	114	124	88	108
Cropland used for crops	97	98	100	97	100	102	103	102	88	98
Crop production per acre	96	94	100	105	113	99	113	118	99	112

¹ For historical data and indexes, see Changes in Farm Production and Efficiency USDA Statistical Bulletin 657. ² Preliminary indexes for 1984 based on November 1984 Crop Production report and other releases of the Crop Reporting Board, SRS. ³ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. ⁴ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

Transportation Data

Rail rates; grain and fruit-vegetable shipments

	Annual			1983	1984					
	1981	1982	1983	Oct	May	June	July	Aug	Sept	Oct
Rail freight rate index ¹										
All products (1969=100)	327.6	351.4	355.8	357.0	371.1	371.1	372.4p	372.4p	372.5p	374.4p
Farm products (1969=100)	315.0	337.2	342.9	344.1	357.7	357.7	359.0p	359.0p	359.6p	364.2p
Grain (Dec. 1978=100)	148.1	159.5	160.2	160.7	167.2	167.2	167.9p	167.9p	167.9p	170.6p
Food products (1969=100)	329.4	353.2	356.6	357.2	371.9	371.9	373.2p	373.2p	373.2p	375.1p
Rail carloadings of grain (thou. cars) ²	26.3	24.9	26.1	32.1	23.6	24.3	26.6	28.7	30.2	24.5
Barge shipments of grain (mil. bu.) ³	37.9	41.2	40.8	50.5	36.5	36.3	33.7	31.8	41.4	49.4
Fresh fruit and vegetable shipments										
Piggy back (thousand cwt.) ^{1,4}	262	387	551	421	792	811	633	520	459	319
Rail (thou. cwt.) ^{1,4}	888	698	769	650	825	934	476	266	362	398
Truck (thou. cwt.) ^{1,4}	7,769	7,849	7,873	7,003	9,654	10,337	9,754	7,923	6,607	6,699

¹ Department of Labor, Bureau of Labor Statistics, revised April 1982. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1984. p = preliminary, r = revised.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1983	1984					
	1981	1982	1983	Nov	June	July	Aug	Sept	Oct	Nov p
	1977=100									
Prices Received										
All farm Products	139	133	134	135	144	144	143	139	138	137
All crops	134	121	127	134	145	142	144	136	138	131
Food grains	166	146	148	147	143	136	142	142	142	142
Feed grains and hay	141	120	144	151	156	153	146	137	130	128
Feed grains	145	120	146	154	162	158	149	140	130	128
Cotton	111	92	104	110	115	113	111	107	107	109
Tobacco	140	154	147	160	149	149	157	168	165	168
Oil-bearing crops	110	88	102	119	123	110	100	95	93	92
Fruit	130	175	126	117	203	207	246	245	288	244
Fresh market ¹	132	186	127	116	221	228	275	272	324	270
Commercial vegetables	136	127	131	131	118	121	142	129	139	110
Fresh market	135	120	128	130	112	115	142	126	140	101
Potatoes ²	177	125	123	127	173	231	215	120	111	120
Livestock and Products	143	145	141	136	143	145	143	141	139	142
Meat animals	150	155	147	132	152	155	152	146	142	145
Dairy products	142	140	140	143	132	133	135	140	144	145
Poultry and eggs	116	110	118	139	125	129	120	123	117	127
Prices paid										
Commodities and services, interest, taxes, and wage rates	150	157	161	162	166	165	165	165	164	164
Production items	148	150	153	154	157	156	155	154	153	153
Feed	134	122	134	143	141	137	133	129	125	123
Feeder livestock	164	164	160	151	150	150	152	149	150	152
Seed	138	141	141	142	153	153	153	156	156	156
Fertilizer	144	144	137	134	147	147	147	147	141	141
Agricultural chemicals	111	119	125	126	129	129	129	129	129	129
Fuels & energy	213	210	202	203	203	201	199	200	201	200
Farm & motor supplies	147	152	152	149	148	148	147	147	148	148
Autos & trucks	143	159	170	177	182	182	183	183	183	189
Tractors & self-propelled machinery	152	165	174	177	182	182	182	182	182	182
Other machinery	146	160	171	174	182	182	182	183	183	183
Building & fencing	134	135	138	138	137	137	137	137	137	137
Farm services & cash rent	137	145	147	147	151	151	151	151	151	151
Interest payable per acre on farm real estate debt	211	241	251	251	256	256	256	256	256	256
Taxes payable per acre on farm real estate	123	131	137	137	145	145	145	145	145	145
Wage rates (seasonally adjusted)	137	143	147	148	152	150	150	150	150	150
Production items, interest, taxes, and wage rates	151	155	159	160	163	162	162	161	160	160
Prices received (1910-14=100)	633	609	616	616	658	657	655	634	632	626
Prices paid, etc. (Parity index) (1910-14=100)	1,035	1,076	1,105	1,116	1,139	1,136	1,134	1,132	1,129	1,130
Parity ratio ³	61	57	56	55	58	58	58	57	56	55

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweet potatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, taxes, and wage rates. (1910-14=100). p = preliminary.

Prices received by farmers, U.S. average

	Annual*			1983		1984				
	1981	1982	1983	Nov	June	July	Aug	Sept	Oct	Nov p
Crops										
All wheat (\$/bu.)	3.88	3.52	3.59	3.54	3.45	3.28	3.42	3.43	3.43	3.43
Rice, rough (\$/cwt.)	11.94	8.36	8.31	8.80	8.20	8.18	8.23	8.12	8.07	8.13
Corn (\$/bu.)	2.92	2.37	2.99	3.17	3.37	3.30	3.12	2.90	2.65	2.59
Sorghum (\$/cwt.)	4.72	4.00	4.89	4.98	4.95	4.69	4.55	4.24	4.06	4.09
Alf hay, baled (\$/ton)	67.67	69.17	75.13	76.60	78.70	71.80	71.70	71.90	71.60	73.00
Soybeans (\$/bu.)	6.92	5.78	6.73	7.81	7.99	6.95	6.50	6.09	6.08	6.05
Cotton, upland (cts./lb.)	67.1	55.5	63.2	67.0	69.5	68.2	67.2	64.6	64.6	66.0
Potatoes (\$/cwt.)	6.95	5.10	4.98	4.86	7.41	10.40	9.57	4.76	4.19	4.73
Dry edible beans (\$/cwt.)	28.59	16.82	18.22	24.20	20.60	21.60	21.10	19.00	19.90	18.60
Apples for fresh use (cts./lb.)	13.2	15.3	13.2	15.3	15.3	18.6	18.3	20.7	18.4	17.3
Pears for fresh use (\$/ton)	264	300	287	249	101	—	237	271	300	364
Oranges, all uses (\$/box) ¹	3.77	7.47	3.68	3.87	10.01	10.79	13.49	11.95	15.01	11.54
Grapefruit, all uses (\$/box) ¹	3.65	2.04	2.02	1.94	2.51	1.18	2.28	2.30	5.26	4.16
Livestock										
Beef cattle (\$/cwt.)	58.51	56.97	55.83	51.20	57.60	57.60	56.60	55.70	54.10	54.60
Calves (\$/cwt.)	64.46	60.18	62.13	59.40	59.20	58.50	59.10	56.60	58.20	58.90
Hogs (\$/cwt.)	43.81	52.78	47.02	37.50	49.00	52.00	50.40	46.30	43.60	47.20
Lambs (\$/cwt.)	55.38	54.55	55.48	55.80	57.50	58.60	61.00	61.80	62.40	63.10
All milk, sold to plants (\$/cwt.)	13.76	13.59	13.57	13.90	12.80	12.90	13.10	13.60	14.00	14.10
Milk, manuf. grade (\$/cwt.)	12.73	12.66	12.63	13.00	12.00	12.10	12.10	12.70	13.00	13.00
Broilers (cts./lb.)	28.4	26.8	28.5	33.7	33.2	35.5	30.6	32.1	29.5	30.8
Eggs (cts./doz.) ²	62.8	59.3	60.7	76.4	61.0	59.9	58.6	58.4	55.3	61.3
Turkeys (cts./lb.)	38.5	37.5	36.5	40.7	42.5	44.0	45.2	46.6	51.1	57.3
Wool (cts./lb.) ³	91.1	68.0	61.5	70.1	87.7	86.4	83.5	76.1	81.3	81.7

¹ Equivalent on-tree returns. ² Average of all eggs sold by producers including hatching eggs and eggs sold at retail. ³ Average local market price, excluding incentive payments. *Calendar year averages. p = preliminary.

Producer and Consumer Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1983		1984						
	1983	Oct	Mar	Apr	May	June	July	Aug	Sept	Oct
1967=100										
Consumer price index, all items	298.4	302.6	307.3	308.8	309.7	310.7	311.7	313.0	314.5	315.3
Consumer price index, less food	298.3	303.2	306.8	308.6	310.0	311.0	312.0	313.2	315.2	316.1
All food	291.7	292.9	302.2	302.3	301.4	302.0	303.2	304.8	304.2	304.4
Food away from home	319.9	323.9	329.8	330.9	332.6	333.1	334.4	335.5	335.8	336.6
Food at home	282.2	282.3	293.1	292.8	290.7	291.4	292.5	294.4	293.4	293.4
Meats ¹	267.2	260.4	268.8	268.9	267.9	266.8	267.3	269.9	268.0	267.1
Beef and veal	272.3	266.2	279.9	280.8	278.3	274.2	272.1	274.3	271.9	271.3
Pork	255.8	246.4	248.6	247.7	248.0	250.5	255.5	259.9	257.5	255.0
Poultry	197.5	199.8	223.2	222.3	218.0	219.8	221.3	216.5	217.2	214.0
Fish	374.9	374.1	385.3	387.3	380.8	382.3	387.0	387.0	390.6	390.6
Eggs	187.1	200.1	237.2	249.6	218.9	185.8	182.7	179.3	178.6	177.8
Dairy products ²	250.0	250.1	250.8	251.5	251.0	251.7	252.2	252.7	254.9	256.1
Fats and oils ³	263.1	271.1	280.7	282.4	282.9	285.4	291.4	295.4	295.1	294.9
Fruits and vegetables	292.2	296.7	323.2	315.3	310.2	318.1	320.0	327.7	319.7	318.4
Fresh	297.6	304.9	344.3	326.5	316.0	329.7	332.4	345.7	332.5	329.3
Processed	288.8	290.3	302.8	305.7	306.5	308.0	309.2	310.7	308.4	309.2
Cereals and bakery products	292.5	294.0	301.5	302.8	303.5	304.9	306.6	307.8	307.9	308.7
Sugar and sweets	374.4	375.5	384.8	387.7	390.0	391.2	391.8	392.6	393.7	393.3
Beverages, nonalcoholic	432.2	436.4	443.5	443.6	441.7	442.3	442.7	441.5	444.0	446.8
Apparel commodities less footwear	180.8	185.4	182.3	182.6	181.7	179.8	178.9	183.1	187.8	189.2
Footwear	206.9	208.6	207.7	208.9	210.2	209.6	208.0	207.7	211.1	212.9
Tobacco products	291.0	299.0	305.6	305.9	306.9	308.1	313.2	313.9	314.1	314.6
Beverages, alcoholic	216.5	218.9	220.7	221.3	221.5	222.4	222.5	222.9	223.1	224.2

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Producer price indexes, U.S. average (not seasonally adjusted)

	Annual			1983		1984				
	1981	1982	1983 p	Oct	May	June	July	Aug	Sept	Oct
	1967=100									
Finished goods¹	269.8	280.6	285.2	287.6	291.1	290.9	292.6	291.8	289.8	291.6
Consumer foods	253.6	259.3	261.8	263.7	271.7	270.8	275.6	274.2	273.4	271.8
Fresh fruit	228.9	236.9	251.2	297.6	239.4	259.7	251.1	268.0	301.5	272.5
Fresh and dried vegetables	278.0	246.5	248.9	293.0	240.2	262.5	284.8	294.6	259.8	242.7
Eggs	187.1	178.7	n.a.	n.a.	201.0	177.9	184.9	181.2	177.6	179.9
Bakery products	268.2	275.4	285.7	290.2	295.6	298.9	300.6	301.3	302.1	302.9
Meats	239.0	250.6	236.7	224.6	235.8	233.5	245.1	239.1	235.5	224.9
Beef and veal	246.8	245.0	236.7	225.3	238.6	231.5	237.5	231.0	229.2	220.1
Pork	218.1	251.1	227.6	211.3	219.7	224.0	252.4	240.9	232.0	216.4
Poultry	193.3	178.7	185.0	190.5	206.6	200.7	208.0	194.3	202.1	196.8
Fish	377.8	422.4	448.2	438.6	556.2	449.1	468.3	463.0	453.6	515.4
Dairy products	245.6	248.9	250.6	251.3	248.9	249.4	251.4	251.0	255.2	256.7
Processed fruits and vegetables	261.2	274.5	277.4	281.1	297.4	298.2	296.5	296.4	292.0	295.5
Shortening and cooking oils	238.0	234.4	256.1	304.7	322.8	329.5	320.2	317.9	312.7	316.2
Consumer finished goods less foods	276.5	287.8	291.4	293.9	295.1	294.9	295.4	294.4	291.9	294.8
Beverages, alcoholic	189.5	197.8	205.0	206.7	211.6	208.0	211.0	210.1	210.4	210.5
Soft drinks	305.1	319.1	327.4	329.0	340.0	338.5	340.7	342.5	342.9	348.2
Apparel	186.0	194.4	197.4	198.8	201.2	200.7	201.9	201.8	202.3	200.5
Footwear	240.9	245.0	250.1	251.3	251.8	250.3	250.1	250.9	252.1	252.2
Tobacco Products	268.3	323.2	365.4	376.8	390.6	400.2	407.9	407.6	406.7	406.8
Intermediate materials²	306.0	310.4	312.3	315.6	320.9	321.6	321.7	321.1	320.3	319.9
Materials for food manufacturing	260.4	255.1	258.4	263.5	276.0	275.2	276.6	269.9	267.2	267.2
Flour	191.9	183.4	186.4	187.5	187.2	190.6	188.9	183.4	182.8	184.9
Refined sugar ³	171.8	161.3	172.0	174.5	174.6	174.4	174.5	174.3	172.8	172.0
Crude vegetable oils	185.4	160.1	193.8	243.9	306.7	298.4	277.6	267.9	248.8	256.9
Crude materials⁴	329.0	319.5	323.6	324.8	338.0	333.0	334.5	329.3	326.7	320.0
Foodstuffs and feedstuffs	257.4	247.8	252.2	253.7	266.4	260.3	264.0	256.9	253.1	245.5
Fruits and vegetables ⁵	267.3	253.7	262.1	308.1	251.1	272.9	281.2	293.3	289.7	266.8
Grains	248.4	210.9	240.4	253.7	256.2	257.8	248.9	236.9	231.4	219.0
Livestock	248.0	257.8	243.1	229.4	254.8	250.0	260.1	253.7	244.9	233.9
Poultry, live	201.2	191.9	206.5	208.5	240.6	227.7	259.2	218.6	239.7	219.2
Fibers, plant and animal	242.0	202.9	227.0	234.5	259.1	252.7	235.8	211.3	210.3	202.8
Milk	287.4	282.5	282.0	284.1	271.7	271.8	273.9	276.8	282.1	286.7
Oilseeds	277.6	214.5	245.3	292.8	298.7	281.9	249.8	245.7	228.3	217.2
Coffee, green	330.1	311.5	300.1	301.3	310.2	310.2	310.2	310.2	310.2	310.2
Tobacco, leaf	246.9	269.9	274.2	275.0	274.6	261.0	261.0	275.0	295.6	290.1
Sugar, raw cane	272.7	278.5	315.9	314.9	315.4	315.5	315.7	311.1	312.6	309.6
All commodities	293.4	299.3	303.1	306.0	311.5	311.3	312.0	310.9	309.5	309.4
Industrial commodities	304.1	312.3	315.7	318.5	323.2	323.8	324.0	323.5	322.3	323.2
All foods⁶	251.8	254.4	257.5	260.5	269.8	267.6	272.1	270.1	268.9	267.2
Farm products and processed foods and feeds	251.5	248.9	253.9	257.5	265.8	262.8	265.2	261.6	259.6	255.8
Farm products	254.9	242.4	248.2	255.2	260.8	257.1	258.6	253.2	249.7	240.1
Processed foods and feeds	248.7	251.5	255.9	257.8	267.5	264.8	267.7	265.2	264.0	263.3
Cereal and bakery products	255.5	253.8	261.0	264.6	268.7	271.4	272.2	271.8	272.0	272.7
Sugar and confectionery	275.9	269.7	292.8	298.0	303.8	304.1	305.3	304.1	302.7	300.2
Beverages	248.0	256.9	263.6	265.2	273.5	272.8	273.8	274.2	274.7	276.8

¹ Commodities ready for sale to ultimate consumer. ² Commodities requiring further processing to become finished goods. ³ All types and sizes of refined sugar. ⁴ Products entering market for the first time which have not been manufactured at that point. ⁵ Fresh and dried. ⁶ Includes all raw, intermediate, and processed foods (excludes soft drinks, alcoholic beverages, and manufactured animal feeds). n.a. = not available.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1983	1984					
	1981	1982	1983 p	Oct	May	June	July	Aug	Sept	Oct
Market basket¹										
Retail cost (1967=100)	257.1	266.4	268.7	268.5	277.4	278.0	279.0	281.4	280.0	279.7
Farm value (1967=100)	243.0	245.7	240.3	239.6	252.2	250.2	253.2	253.4	247.2	242.8
Farm-retail spread (1967=100) . . .	265.4	278.6	285.5	285.5	292.2	294.2	294.2	297.8	299.2	301.4
Farm value/retail cost (%)	35.0	34.2	33.1	33.0	33.7	33.3	33.6	33.4	32.7	32.1
Meat products										
Retail cost (1967=100)	257.8	270.3	267.2	260.4	267.9	266.8	267.3	269.9	268.0	267.1
Farm value (1967=100)	235.5	251.3	235.8	221.2	242.7	237.5	247.3	247.2	237.8	225.6
Farm-retail spread (1967=100) . . .	284.0	292.4	304.0	306.3	297.4	301.2	290.7	296.5	303.3	315.7
Farm value/retail cost (%)	49.3	50.2	47.6	45.8	48.9	48.0	49.9	49.4	47.9	45.6
Dairy products										
Retail cost (1967=100)	243.6	247.0	250.0	250.1	251.0	251.7	252.2	252.7	254.9	256.1
Farm value (1967=100)	265.9	261.9	262.1	262.4	253.8	253.8	257.0	258.3	263.7	265.2
Farm-retail spread (1967=100) . . .	224.1	233.9	239.3	239.3	248.5	249.8	248.0	247.8	247.2	248.1
Farm value/retail cost (%)	51.0	49.6	49.0	49.1	47.3	47.2	47.6	47.8	48.4	48.4
Poultry										
Retail cost (1967=100)	198.6	194.9	197.5	199.6	218.0	219.6	221.3	216.5	217.2	214.0
Farm value (1967=100)	210.2	201.9	213.0	221.4	246.2	244.3	259.5	233.7	244.3	236.3
Farm-retail spread (1967=100) . . .	187.4	188.1	182.4	178.5	190.7	195.7	184.4	199.9	191.0	192.4
Farm value/retail cost (%)	52.0	50.7	53.1	54.6	55.5	54.7	57.7	53.1	55.3	54.3
Eggs										
Retail cost (1967=100)	183.8	178.7	187.1	200.1	218.9	185.8	182.7	179.3	178.6	177.8
Farm value (1967=100)	206.5	189.8	206.1	228.3	223.3	192.8	189.2	184.4	182.6	171.2
Farm-retail spread (1967=100) . . .	150.9	162.7	159.5	159.4	212.4	175.7	173.3	171.9	172.8	187.3
Farm value/retail cost (%)	66.4	62.8	65.1	67.4	60.3	61.3	61.2	60.8	60.4	56.9
Cereal and bakery products										
Retail cost (1967=100)	271.1	283.4	292.5	294.0	303.5	304.9	306.6	307.8	307.9	308.7
Farm value (1967=100)	204.4	178.8	186.6	199.4	203.9	199.4	188.5	187.0	185.6	184.4
Farm-retail spread (1967=100) . . .	284.9	305.1	314.0	313.6	324.1	326.7	331.0	332.8	333.2	334.4
Farm value/retail cost (%)	12.9	10.8	11.1	11.6	11.5	11.2	10.5	10.4	10.3	10.2
Fresh fruits										
Retail cost (1967=100)	286.1	323.2	303.6	314.1	330.1	358.9	364.2	374.0	388.5	377.5
Farm value (1967=100)	238.8	288.8	220.6	240.2	282.7	342.9	309.5	346.9	351.8	396.9
Farm-retail spread (1967=100) . . .	307.3	338.7	340.8	347.3	351.7	366.1	388.7	386.2	405.0	368.8
Farm value/retail cost (%)	25.9	27.7	22.5	33.7	26.5	29.6	26.3	28.7	28.1	32.6
Fresh vegetables										
Retail costs (1967=100)	297.4	288.9	299.3	305.5	316.8	317.1	318.8	338.7	302.3	306.0
Farm value (1967=100)	285.6	261.3	267.4	296.6	268.5	289.8	315.9	367.0	272.8	275.5
Farm-retail spread (1967=100) . . .	288.3	301.8	314.3	309.7	339.5	329.9	320.2	325.4	316.2	320.3
Farm value/retail cost (%)	31.8	28.9	28.6	31.1	27.1	29.2	31.7	34.6	28.8	26.8
Processed fruits and vegetables										
Retail cost (1967=100)	271.5	286.0	288.8	290.3	306.5	308.0	309.2	310.7	308.4	309.2
Farm value (1967=100)	290.6	269.2	252.5	253.9	277.1	280.9	267.6	261.3	261.7	263.5
Farm-retail spread (1967=100) . . .	267.3	289.7	296.8	298.5	313.0	314.0	318.4	321.6	318.7	319.3
Farm value/retail costs (%)	19.4	17.1	15.8	15.8	16.4	16.5	15.7	15.2	15.4	15.4
Fats and oils										
Retail cost (1967=100)	267.1	259.9	263.1	271.1	282.9	285.4	291.4	295.4	295.1	294.9
Farm value (1967=100)	262.4	207.8	251.0	307.8	408.0	380.2	325.6	296.1	285.0	297.1
Farm-retail spread (1967=100) . . .	268.9	279.9	267.8	257.0	234.8	248.9	278.3	295.1	299.0	294.0
Farm value/retail cost (%)	27.3	22.2	26.5	31.5	40.1	37.0	31.0	27.8	26.8	28.0

¹ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Note: Annual historical data on farm-retail price spreads may be found in Food Consumption, Prices and Expenditure, Statistical Bulletin 713, ERS, USDA.

Farm-retail price spreads

	Annual			1983	1984					
	1981	1982	1983	Oct	May	June	July	Aug	Sept	Oct
Beef, Choice										
Retail price ¹ (cts./lb.)	238.7	242.5	238.1	231.8	241.9	239.7	236.3	237.1	235.2	234.9
Net carcass value ² (cts.)	149.3	150.7	145.4	135.8	146.9	144.4	148.5	144.0	139.3	136.8
Net farm value ³ (cts.)	138.5	140.5	136.2	127.0	137.8	136.7	140.9	137.0	131.6	130.2
Farm-retail spread (cts.)	100.2	102.0	101.9	104.8	104.1	103.0	95.4	100.1	103.6	104.7
Carcass-retail spread ⁴ (cts.)	89.4	91.8	92.7	96.0	95.0	95.3	87.8	93.1	95.9	98.3
Farm-carcass spread ⁵ (cts.)	10.8	10.2	9.2	8.8	9.1	7.7	7.6	7.0	7.7	6.4
Farm value/retail price (%)	58	58	57	55	57	57	60	58	56	55
Pork										
Retail price ¹ (cts./lb.)	152.4	175.4	169.8	162.3	158.6	159.9	162.2	166.1	163.6	163.9
Wholesale value ² (cts.)	106.7	121.8	108.9	99.8	110.6	110.8	117.9	115.9	111.7	101.3
Net farm value ³ (cts.)	70.3	88.0	76.5	66.4	75.6	80.0	85.9	82.6	75.0	70.1
Farm-retail spread (cts.)	82.1	87.4	93.3	95.9	83.0	79.9	76.3	83.5	88.6	93.8
Wholesale-retail spread ⁴ (cts.)	45.7	53.6	60.9	62.5	48.0	49.1	44.3	50.2	51.9	62.6
Farm-wholesale spread ⁵ (cts.)	36.4	33.8	32.4	33.4	35.0	30.8	32.0	33.3	36.7	31.2
Farm value/retail price (%)	46	50	45	41	48	50	53	50	46	43

¹ Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from BLS. ² Value of carcass quantity equivalent to 1 lb. of retail cuts; beef adjusted for value of fat and bone byproducts. ³ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing, and transportation to city where consumed.

Food Supply and Use

Per capita food consumption indexes¹ (1967=100)

	1974	1975	1976	1977	1978	1979	1980	1981	1982 ²	1983
1967=100										
Meat, poultry, and fish	104.9	101.7	108.0	107.6	106.2	104.2	104.6	104.3	101.8	104.9
Meat	103.6	100.0	106.2	105.1	100.5	97.5	98.2	97.0	93.7	96.5
Poultry	109.3	107.9	115.2	118.4	124.3	134.6	134.6	138.6	141.8	145.7
Fish	113.7	113.7	118.4	118.6	125.1	121.7	118.9	120.5	114.2	120.0
Eggs	88.5	86.2	84.3	83.5	85.0	86.7	85.0	83.0	82.1	81.3
Dairy products	99.0	100.5	101.8	101.3	101.9	101.7	101.2	101.1	103.6	104.4
Fats and oils	103.8	104.0	108.0	104.5	108.2	110.6	111.8	112.2	114.2	117.6
Animal	75.9	71.0	66.1	68.3	70.2	73.7	77.1	73.5	74.6	79.3
Vegetable	122.3	125.9	135.2	129.1	133.2	135.0	135.0	138.2	140.3	143.1
Fruits	98.7	107.8	105.3	104.8	102.5	105.3	108.1	108.0	108.0	116.6
Fresh	98.3	106.7	104.3	103.6	104.3	106.8	113.5	112.4	113.2	123.2
Processed	99.3	109.2	106.7	106.3	100.8	104.0	102.9	103.8	102.9	110.2
Vegetables	108.8	109.2	111.9	113.2	113.9	117.4	114.2	111.6	113.0	115.5
Fresh	108.3	110.2	112.3	114.9	116.9	119.8	122.7	118.6	123.0	122.2
Processed	109.6	107.4	110.7	110.5	109.4	113.8	102.7	102.2	99.7	106.3
Potatoes and sweetpotatoes	106.3	111.2	107.4	112.9	113.8	118.1	116.8	114.2	116.8	122.0
Fresh	78.5	88.6	84.3	87.1	83.0	102.1	89.3	77.5	81.5	86.1
Processed	130.3	132.0	125.4	134.4	141.3	141.8	135.4	143.3	142.7	154.6
Beans, peas, and peanuts	94.8	106.2	102.3	100.4	100.2	104.7	91.3	99.1	109.8	112.5
Flour and cereal products	98.5	101.1	103.2	101.8	99.6	104.3	103.6	104.1	103.3	102.8
Sugar and sweeteners	105.6	102.9	108.5	111.4	112.2	113.2	112.5	113.9	113.5	115.6
Coffee, tea, and cocoa	93.8	88.1	91.9	72.0	78.5	82.4	79.0	78.2	76.1	77.8
Total food	102.4	102.2	105.8	104.4	104.0	105.0	104.4	104.5	104.2	107.1
Animal products	101.3	99.2	104.0	103.3	102.1	101.6	101.6	101.5	100.4	103.2
Crop products ³	103.6	105.5	107.6	105.1	105.9	109.0	107.5	107.7	108.5	111.5

¹ Quantities of individual foods are combined in terms of 1967-69 retail prices. ² Preliminary. ³ Includes melons in addition to groups shown separately.

Note: Historical food consumption indexes may be found in Food Consumption, Prices and Expenditures, 1963-83, Statistical Bulletin 713, ERS, USDA.

Per capita consumption of major food commodities (retail weight)¹

	1975	1976	1977	1978	1979	1980	1981	1982	1983 ²
Pounds									
Meats	143.7	153.0	152.3	146.9	144.8	147.7	145.2	139.3	144.2
Beef	87.9	94.4	91.8	87.2	78.0	76.5	77.2	77.2	78.8
Veal	3.4	3.3	3.2	2.4	1.7	1.5	1.6	1.6	1.7
Lamb and mutton	1.8	1.6	1.5	1.4	1.3	1.4	1.4	1.5	1.5
Pork	50.7	53.7	55.8	55.9	63.8	68.3	65.0	59.0	62.2
Fish (edible weight)	12.2	12.9	12.7	13.4	13.0	12.8	12.9	12.3	12.9
Canned	4.3	4.2	4.6	5.0	4.8	4.5	4.8	4.3	4.6
Fresh and frozen	7.5	8.2	7.7	8.1	7.8	8.0	7.8	7.7	8.0
Cured	0.4	0.5	0.4	0.3	0.4	0.3	0.3	0.3	0.3
Poultry products									
Eggs	35.1	34.3	34.0	34.6	35.3	34.6	33.8	33.4	33.1
Chicken (ready-to-cook)	40.1	42.7	44.1	46.7	50.6	50.1	51.7	53.1	53.9
Turkey (ready-to-cook)	8.5	9.1	9.1	9.2	9.9	10.5	10.7	10.8	11.2
Dairy products									
Cheese (excluding cottage)	14.3	15.7	16.1	17.0	17.2	17.6	18.4	20.1	20.6
Canned and bulk whole milk	5.3	5.0	4.3	4.2	4.1	3.8	4.1	4.1	3.9
Fluid milk and cream (product weight)	267.1	263.9	259.7	257.1	253.0	249.5	245.3	241.7	245.1
Ice cream (product weight)	18.5	17.9	17.5	17.4	17.1	17.3	17.2	17.5	17.9
Fats and Oils—Total fat content	52.4	54.9	53.1	54.7	56.1	57.0	57.5	58.4	59.6
Butter (actual weight)	4.7	4.3	4.3	4.4	4.5	4.5	4.3	4.6	5.1
Margarine (actual weight)	11.0	11.9	11.4	11.2	11.2	11.3	11.2	11.1	10.4
Lard	2.8	2.6	2.2	2.2	2.4	2.4	2.5	2.5	1.5
Shortening	17.0	17.7	17.2	17.8	18.4	18.2	18.5	18.7	18.6
Other edible fats and oils	19.9	21.5	21.0	22.1	22.4	22.7	23.5	23.2	24.8
Fruits									
Fresh	82.1	81.3	79.4	80.6	81.2	86.8	84.0	84.3	91.8
Citrus	28.4	28.1	25.5	25.7	23.8	28.0	24.2	23.9	30.8
Noncitrus	53.7	53.2	53.9	54.9	57.4	58.8	59.8	60.4	61.0
Processed:									
Canned fruit	19.0	18.6	19.0	17.9	17.8	17.4	16.4	13.1	13.0
Canned juice	14.6	14.5	13.6	16.5	16.9	16.7	19.1	13.7	16.2
Frozen (including juices)	14.0	13.6	14.0	12.5	12.6	13.0	12.7	14.1	15.0
Chilled citrus juices	5.6	6.1	5.7	6.1	5.5	5.9	4.1	3.5	4.1
Dried	2.9	2.6	2.5	2.1	2.6	2.4	2.7	2.9	2.9
Vegetables									
Fresh ³	90.3	92.9	93.6	95.4	96.4	98.8	96.2	*70.3	*70.1
Canned (excluding potatoes)	51.9	53.0	53.1	51.8	53.2	48.5	45.6	45.6	47.1
Frozen (excluding potatoes)	9.6	10.1	10.2	10.7	11.2	10.4	11.6	10.7	11.1
Fresh potatoes	51.6	48.5	51.5	48.8	52.1	53.9	46.3	48.1	51.9
Frozen potato products	13.7	14.6	15.7	17.2	17.7	16.9	18.2	18.1	18.7
Sweetpotatoes ⁴	4.5	4.6	4.0	3.8	4.1	3.8	3.4	4.4	4.5
Grains									
Wheat flour ⁶	115	119	116	115	117	117	116	114	116
Rice	7.6	7.1	7.5	5.7	9.4	9.4	11.0	11.8	9.8
Other									
Coffee	9.2	9.4	6.9	7.9	8.5	7.7	7.7	7.5	7.6
Cocoa	2.6	3.0	2.6	2.6	2.6	2.6	2.9	3.0	3.3
Peanuts (shelled)	6.5	6.2	6.3	6.8	6.8	5.5	6.4	6.7	6.7
Dry edible beans	6.5	6.0	6.2	4.8	4.7	4.6	5.7	6.0	6.2
Melons	17.2	18.3	19.1	19.8	18.9	16.9	18.8	20.4	n.a.
Sugar (refined)	89.1	93.4	94.2	91.4	89.3	83.7	79.4	73.7	71.0
Corn sweeteners ⁷	34.2	37.3	39.8	43.3	47.2	52.7	58.8	63.8	69.4
Soft drinks (gallons)	27.3	30.6	33.3	35.4	36.8	37.8	38.9	39.6	40.0

¹ Quantity in pounds, retail weight unless otherwise shown. Data on calendar year basis except for dried fruits, fresh citrus fruits, peanuts, dry beans and rice which are on a crop-year basis. ² Preliminary. ³ Commercial production for sale as fresh produce. ⁴ Not comparable to previous years due to crop reporting cutbacks. ⁵ Table stock and processed. ⁶ White, whole wheat, semolina, and durum flour. ⁷ Fructose and glucose. n.a. = not available.

Note: Historical consumption and supply-utilization data for food may be found in Food Consumption, Prices and Expenditures, 1963-83, Statistical Bulletin 713, ERS, USDA.

Livestock and Products

Poultry and eggs

	Annual			1983		1984				
	1981	1982	1983 p	Oct	May	June	July	Aug	Sept	Oct
Broilers										
Federally inspected slaughter, certified (mil. lb.)	11,906	12,039	12,381	1,038.4	1,184.4	1,113.5	1,102.7	1,210.5	1,022.2	—
Wholesale price, 9-city, cts./lb. ¹	46.3	44.0	49.4	50.4	57.6	55.5	57.3	51.5	53.6	48.8
Price of broiler grower feed (\$/ton)	227	210	223	237	246	243	233	225	221	221
Broiler-feed price ratio (lb.) ²	2.6	2.5	2.6	2.5	2.7	2.7	3.0	2.7	2.9	2.7
Broilers, stocks beginning of period (mil. lb.)	22.4	32.6	22.3	26.0	20.6	21.7	17.4	22.5	20.4	18.2
Average weekly placements of broiler chicks, 19 States (mil.)	77.1	80.2	80.4	74.1	86.8	87.5	84.0	84.4	80.1	78.6
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	2,509	2,459	2,563	281.3	202.4	223.3	240.6	279.1	253.6	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	60.7	60.8	60.5	65.1	66.8	67.0	68.6	72.4	76.2	—
Price of turkey grower feed (\$/ton)	249	229	247	263	258	254	246	238	239	232
Turkey-feed price ratio (lb.) ²	3.1	3.3	2.9	3.0	3.3	3.3	3.6	3.8	3.9	4.4
Turkeys, stocks beginning of period (mil. lb.)	198.0	238.4	203.9	432.2	142.2	180.9	226.3	278.2	331.0	390.6
Poults placed in U.S. (mil.)	(*)	(*)	181.8	9.2	21.1	20.4	18.8	13.5	8.8	10.7
Eggs										
Farm production (mil.)	69,859	69,680	67,863	5,683	5,738	5,521	5,739	5,753	5,616	5,852
Average number of layers on farms (mil.)	288	286	276	274	276	277	276	276	279	282
Rate of lay (eggs per layer)	243	243	247	20.7	20.8	20.0	20.8	20.8	20.1	20.8
Cartoned price, New York, grade A large (cts./doz.) ³	73.2	70.1	75.2	80.2	75.9	70.7	71.5	68.8	69.8	—
Price of laying feed (\$/ton)	210	190	204	218	214	212	209	202	198	194
Egg-feed price ratio (lb.) ²	6.0	6.1	6.1	6.2	6.4	5.8	5.7	5.8	5.9	5.7
Stocks, first of month										
Shell (thou. cases)	31	34	34	25	35	41	42	29	31	23
Frozen (mil. lb.)	24.3	23.7	25.4	16.4	12.7	12.8	16.4	17.5	16.6	16.7
Replacement chicks hatched (mil.)	454	444	407	32.3	48.8	46.5	37.8	35.1	32.6	31.4

¹ 12-city composite weighted average beginning April 25, 1983. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. ³ Price of cartoned eggs to volume buyers for delivery to retailers. ⁴ Not reported.

Wool

	Annual			1983		1984				
	1981	1982	1983	Oct	May	June	July	Aug	Sept	Oct
U.S. wool price, Boston ¹ (cts./lb.)	278	247	212	225	234	230	230	230	230	221
Imported wool price, Boston ² (cts./lb.)	292	262	248	254	248	243	231	232	228	230
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	127,752	105,857	126,729	10,704	12,144	13,128	8,309	10,027	11,378	n.a.
Carpet wool (thou. lb.)	10,896	9,825	11,400	695	960	986	631	683	728	n.a.

¹ Wool price delivered at U.S. mills, clean basis. Graded Territory 64's (20.60-22.04 microns) staple 2 3/4" and up. ² Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron). Duty since 1982 has been 10.0 cents. n.a. = not available.

Meat animals

	Annual			1983		1984				
	1981	1982	1983	Oct	May	June	July	Aug	Sept	Oct
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	7,863	7,201	8,316	6,951	7,376	7,318	7,125	6,811	6,747	7,442
Placed on feed (thou. head)	17,814	20,261	19,727	2,358	1,798	1,455	1,323	1,665	2,265	2,546
Marketings (thou. head)	17,198	18,007	18,680	1,626	1,637	1,554	1,553	1,668	1,489	1,657
Other disappearance (thou. head)	1,263	1,139	1,354	102	219	94	84	61	81	110
Beef steer-corn price ratio,										
Omaha (bu.) ²	22.2	26.5	20.6	18.4	19.7	19.1	20.4	20.7	21.3	22.5
Hog-corn price ratio, Omaha (bu.) ²	15.5	22.9	15.9	12.9	14.3	14.8	16.6	16.8	16.0	16.4
Market prices (\$ per cwt.)										
Slaughter cattle										
Choice steers, Omaha	63.84	64.30	62.52	59.58	65.89	64.28	65.79	64.36	62.68	60.85
Utility cows, Omaha	41.93	39.96	39.35	37.42	42.17	42.16	41.48	40.86	39.20	38.57
Choice vealers, S. St. Paul	77.16	77.70	72.97	66.75	78.00	75.47	58.12	52.50	52.50	53.37
Feeder cattle										
Choice, Kansas City, 600-700 lb.	66.24	64.82	63.70	60.20	65.70	62.70	63.80	64.04	63.98	65.06
Slaughter hogs:										
Barrows and gilts, 7-markets	44.45	55.44	47.71	41.38	48.06	50.36	54.04	52.26	47.33	44.50
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	35.40	51.14	33.96	22.27	42.85	39.48	34.27	34.22	34.95	33.23
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	58.40	56.44	57.40	54.44	63.50	59.88	59.83	58.62	64.75	64.75
Ewes, Good, San Angelo	26.15	21.80	16.85	13.13	13.45	15.56	18.00	17.70	18.31	20.30
Feeder lambs										
Choice, San Angelo	56.86	52.97	54.87	49.81	57.00	53.12	54.25	57.81	59.56	65.17
Wholesale meat prices, Midwest										
Choice steer beef, 600-700 lb.	99.84	101.31	97.83	91.24	99.62	98.54	101.26	97.61	94.37	92.38
Canner and Cutter cow beef	84.06	78.96	78.48	71.54	75.85	76.25	75.88	75.07	70.75	70.27
Pork loins, 8-14 lb. ³	96.56	111.51	—	—	95.31	97.59	114.92	102.41	97.57	86.07
Pork bellies, 12-14 lb.	52.29	76.54	60.58	49.10	57.38	67.12	64.75	62.17	58.00	52.80
Hams, skinned, 14-17 lb.	77.58	91.47	75.60	73.66	74.44	72.03	73.46	78.22	75.78	79.38
Commercial slaughter (thou. head)*										
Cattle	34,953	35,843	36,649	3,278	3,300	3,187	3,126	3,394	3,039	3,476
Steers	17,508	17,277	17,486	1,451	1,629	1,569	1,441	1,531	1,378	1,510
Heifers	10,027	10,394	10,758	990	896	878	935	998	892	1,048
Cows	6,643	7,354	7,597	766	702	668	680	786	701	843
Bulls and stags	775	818	808	71	73	72	70	79	68	75
Calves	2,798	3,021	3,076	290	255	242	275	314	267	308
Sheep and lambs	6,008	6,449	6,619	601	574	517	529	583	547	608
Hogs	91,575	82,190	87,584	8,086	7,366	6,594	6,002	6,844	6,646	8,150
Commercial production (mil. lb.)										
Beef	22,214	22,366	23,060	2,062	2,059	1,984	1,935	2,111	1,903	2,181
Veal	415	423	428	41	39	38	39	44	39	45
Lamb and mutton	327	356	367	32	31	27	28	31	29	33
Pork	15,716	14,121	15,117	1,388	1,281	1,156	1,040	1,175	1,139	1,411
	Annual			1983		1984				
	1981	1982	1983	II	III	IV	I	II	III	IV
Cattle on feed (13-States)										
Number on feed (thou. head) ¹	9,845	9,028	10,271	9,153	9,070	8,465	9,908	9,340	8,700	9,000
Placed on feed (thou. head)	21,929	24,415	23,756	5,894	5,583	7,252	5,511	5,572	6,237	—
Marketings (thou. head)	21,219	21,799	22,528	5,527	5,891	5,416	5,714	5,630	5,669	⁵ 5,695
Other disappearance (thou. head)	1,527	1,373	1,591	450	297	393	365	582	268	—
Hogs and pigs (10-States)⁴										
Inventory (thou. head) ¹	45,970	42,440	43,430	41,840	45,250	45,880	43,430	39,820	41,330	42,780
Breeding (thou. head) ³	6,021	5,670	5,605	5,928	6,224	5,829	5,605	5,392	5,735	5,515
Market (thou. head) ¹	39,949	36,770	37,825	35,912	39,026	40,051	37,825	34,428	35,595	37,265
Farrowings (thou. head)	9,821	8,930	9,628	2,768	2,400	2,370	1,926	2,462	2,225	⁵ 2,261
Pig crop (thou. head)	72,591	65,767	71,892	21,063	17,675	17,611	13,988	18,677	16,901	—

¹ Beginning of period. ² Bushels of corn equal in value to 100 pounds liveweight. ³ Beginning January 1984 prices are for 14-17 lbs. ⁴ Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). ⁵ Intentions. * Classes estimated.

Dairy

	Annual			1983		1984				
	1981	1982	1983	Oct	May	June	July	Aug	Sept	Oct
Milk prices, Minnesota-Wisconsin										
3.5% fat (\$/cwt.) ¹	12.57	12.48	12.49	12.52	12.08	12.09	12.17	12.30	12.64	12.64
Price of 16% dairy ration (\$/ton)	192	177	188	199	197	195	192	188	184	179
Milk-feed price ratio (lb.) ²	1.43	1.54	1.45	1.39	1.31	1.31	1.34	1.39	1.48	1.56
Wholesale prices										
Butter, Grade A Chi. (cts./lb.)	148.0	147.7	147.3	147.6	142.9	150.0	155.6	150.6	158.1	158.1
Am. cheese, Wis. assembly pt. (cts./lb.)	139.4	138.3	138.3	140.6	135.9	136.0	136.7	138.6	144.3	143.8
Nonfat dry milk, (cts./lb.) ³	93.1	93.2	93.2	93.4	90.7	90.7	90.7	90.7	90.7	90.7
USDA net removals										
Total milk equiv. (mil. lb.) ⁴	12,860.9	14,281.6	16,813.7	680.9	1,090.2	704.9	513.7	251.4	46.6	102.5
Butter (mil. lb.)	351.5	382.0	413.2	18.1	22.5	4.0	.9	1.6	2.4	.3
Am. cheese (mil. lb.)	563.0	642.5	832.8	30.6	63.1	62.8	49.9	21.8	9.3	10.7
Nonfat dry milk (mil. lb.)	851.3	948.1	1,061.0	62.4	86.8	72.3	64.3	52.3	29.4	36.9
Milk										
Total milk production (mil. lb.)	133,013	135,802	139,968	11,430	12,283	11,832	11,570	11,243	10,827	10,942
Milk per cow (lb.)	12.177	12.309	12.587	1.024	1.132	1.091	1.069	1.038	.998	1.010
Number of milk cows (thou.)	10,923	11,033	11,120	11,159	10,851	10,848	10,821	10,833	10,853	10,838
Stocks, beginning										
Total milk equiv. (mil. lb.) ⁴	12,958	18,377	20,054	24,294	23,323	23,772	23,332	22,626	21,805	20,742
Commercial (mil. lb.)	5,752	5,398	4,603	5,156	5,261	5,557	5,610	5,574	5,439	4,939
Government (mil. lb.)	7,207	12,980	15,451	19,138	18,062	18,214	17,722	17,052	16,367	15,573
Imports, total equiv. (mil. lb.) ⁴	2,329	2,477	2,616	236	221	167	274	229	223	n.a.
Commercial disappearance milk equiv. (mil. lb.)	120,531	122,433	122,790	10,663	11,112	10,567	10,889	10,886	10,909	n.a.
Butter										
Production (mil. lb.)	1,228.2	1,257.0	1,299.2	100.5	105.9	80.3	72.8	70.6	69.1	86.3
Stocks, beginning (mil. lb.)	304.6	429.2	466.8	552.3	532.4	535.5	516.7	489.6	462.7	426.3
Commercial disappearance (mil. lb.)	869.2	897.3	881.7	77.0	78.4	80.0	71.4	71.8	75.9	n.a.
American cheese										
Production (mil. lb.)	2,642.3	2,752.3	2,927.6	222.6	269.7	257.2	230.2	206.6	185.2	196.6
Stocks, beginning (mil. lb.)	591.5	889.1	981.4	1,207.3	1,161.4	1,186.8	1,183.9	1,165.7	1,141.4	1,114.1
Commercial disappearance (mil. lb.)	2,147.9	2,166.8	2,083.2	188.2	197.2	186.6	190.7	192.8	192.1	n.a.
Other cheese										
Production (mil. lb.)	1,635.3	1,789.4	1,890.8	169.3	167.1	162.5	157.6	161.8	164.2	181.0
Stocks, beginning (mil. lb.)	99.3	86.6	82.8	107.4	101.0	104.6	104.3	107.2	102.5	97.0
Commercial disappearance (mil. lb.)	1,875.6	2,044.6	2,133.3	196.6	187.0	181.6	184.4	191.1	192.9	n.a.
Nonfat dry milk										
Production (mil. lb.)	1,314.3	1,400.5	1,499.9	102.7	128.5	119.8	111.7	88.1	71.7	72.2
Stocks, beginning (mil. lb.)	586.8	889.7	1,282.0	1,419.1	1,442.6	1,420.7	1,421.2	1,407.2	1,345.1	1,335.1
Commercial disappearance (mil. lb.)	464.1	447.7	459.9	42.2	34.2	47.8	49.1	50.3	48.1	n.a.
Frozen dessert production (mil. gal.)⁵										
	1,167.7	1,178.2	1,221.3	90.8	117.6	129.3	127.0	124.5	103.4	95.0

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Prices paid f.o.b. Central States production area, high heat spray process. ⁴ Milk-equivalent, fat-solids basis. ⁵ Ice cream, ice milk, and sherbet. n.a. = not available.

Crops and Products

Food grains

	Marketing year ¹			1983	1984					
	1980/81	1981/82	1982/83	Oct	May	June	July	Aug	Sept	Oct
Wholesale prices										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	4.45	4.27	3.94	3.84	3.72	3.80	3.67	3.80	3.89	3.86
Wheat, DNS, Minneapolis (\$/bu.) ²	4.46	4.17	3.94	4.33	4.39	4.40	4.21	3.72	3.57	3.64
Rice, S.W. La. (\$/cwt.) ³	25.95	20.20	18.00	19.25	19.25	19.25	19.25	19.25	19.25	19.25
Wheat										
Exports (mil. bu.)	1,514	1,771	1,509	124	121	113	138	148	246	n.a.
Mill grind (mil. bu.)	643	631	656	58	60	54	51	59	55	n.a.
Wheat flour production (mil. cwt.)	290	280	292	26	26	24	23	26	24	n.a.
	Marketing year ¹			1983	1984					
	1980/81	1981/82	1982/83	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
Wheat										
Stocks, beginning (mil. bu.)	902	989	1,159	2,506	1,862	1,515	2,955	2,326	1,756	1,398
Domestic use										
Food (mil. bu.)	610	602	616	151	97	210	161	163	102	210
Feed and seed (mil. bu.) ⁴	166	254	318	53	12	316	118	44	31	395
Exports (mil. bu.)	1,514	1,771	1,509	442	228	475	362	364	226	645

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual. n.a. = not available.

Feed grains

	Marketing year ¹			1983	1984					
	1980/81	1981/82	1982/83	Oct	May	June	July	Aug	Sept	Oct
Wholesale prices										
Corn, No. 2 yellow, St. Louis (\$/bu.)	3.35	2.61	2.98	3.50	3.58	3.57	3.43	3.33	3.09	2.84
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	5.36	4.29	4.96	5.37	5.39	5.40	4.95	4.74	4.46	4.25
Barley, feed, Minneapolis (\$/bu.)	2.60	2.21	1.76	2.60	2.77	2.59	2.18	2.13	2.05	2.10
Barley, malting, Minneapolis (\$/bu.)	3.64	3.06	2.53	2.96	3.06	3.04	2.86	2.48	2.44	2.43
Exports										
Corn (mil. bu.)	2,355	1,967	1,870	156	164	112	130	136	109	155
Feed grains (mil. metric tons) ²	69.4	58.4	54.0	4.7	4.6	3.2	3.9	4.0	3.8	5.1
	Marketing year ¹			1983	1984					
	1980/81	1981/82	1982/83	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
Corn										
Stocks, beginning (mil. bu.)	1,618	1,034	2,174	8,205	6,198	4,924	3,120	4,907	3,247	2,143
Domestic use:										
Feed (mil. bu.)	4,133	4,202	4,522	1,330	813	891	1,630	967	579	549
Food, seed, ind. (mil. bu.)	735	812	898	169	153	373	220	184	187	385
Feed grains²										
Stocks, beginning (mil. metric tons)	52.4	34.6	68.2	247.9	188.8	149.5	97.3	159.7	107.8	73.5
Domestic use:										
Feed (mil. metric tons)	123.0	128.5	139.5	39.2	25.8	25.8	51.2	30.7	18.6	16.4
Food, seed, ind. (mil. metric tons)	23.9	25.8	27.9	5.3	5.1	10.9	7.1	5.6	5.9	11.2

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² Aggregated data for corn, sorghum, oats, and barley.

Fats and oils

	Marketing year ¹			1983	1984					
	1981/82	1982/83	1983/84	Oct	May	June	July	Aug	Sept	Oct
Soybeans										
Wholesale price, No. 1 yellow, Chicago (\$/bu.) ²	6.24	6.11	7.90	8.38	8.54	7.87	6.79	6.50	6.10	6.21
Crushings (mil. bu.)	1,029.7	1,108.0	970	96.4	79.3	70.5	68.9	71.1	65.6	n.a.
Exports (mil. bu.)	929.1	905.2	760	67.6	56.8	41.1	39.1	30.6	18.9	n.a.
Soybean oil										
Wholesale price, crude, Decatur (cts./lb.)	19.0	20.6	33.0	30.66	39.0	36.0	30.9	29.01	27.97	30.56
Production (mil. lb.)	10,979.4	12,040.4	10,689	1,080.9	906.3	794.6	788.2	819.4	755.8	n.a.
Domestic disappearance (mil. lb.)	9,536.3	9,857.3	9,600	833.3	875.0	828.6	670.4	865.0	743.9	n.a.
Exports (mil. lb.)	2,076.3	2,024.7	1,650	55.1	208.3	157.3	139.9	73.0	156.3	n.a.
Stocks, beginning (mil. lb.)	1,736.1	1,102.5	1,261	1,453.4	1,380.1	1,203.1	1,011.8	989.8	871.0	n.a.
Soybean meal										
Wholesale price, 44% protein, Decatur (\$/ton)	182.52	187.19	200	228.6	187.4	174.4	157.6	151.6	144.9	141.6
Production (thou. ton)	24,634.4	26,713.6	22,491	2,287.9	1,872.2	1,665.0	1,629.1	1,689.6	1,559.8	n.a.
Domestic disappearance (thou. ton)	17,714.4	19,306.0	17,300	1,749.2	1,548.1	1,435.3	1,377.1	1,523.6	1,380.2	n.a.
Exports (thou. ton)	6,907.5	7,108.7	5,450	593.5	315.5	265.7	287.7	278.8	166.1	n.a.
Stocks, beginning (thou. ton)	162.7	175.2	474	419.3	418.6	427.2	391.2	355.5	242.7	n.a.
Margarine, wholesale price, Chicago (cts./lb.)	41.4	41.4	46.3	55.7	61.1	61.8	55.6	55.5	55.2	53.50

¹ Beginning September 1 for soybeans; October 1 for soybean meal and oil; calendar year for margarine. ² Beginning April 1, 1982. Prices based on 30-day delivery, using upper end of the range. n.a. = not available.

Cotton

	Marketing year ¹			1983	1984					
	1980/81	1981/82	1982/83	Oct	May	June	July	Aug	Sept	Oct
U.S. price, SLM, 1-1/16 in. (cts./lb.)²										
Northern Europe prices:										
Index (cts./lb.) ³	93.3	73.8	76.7	88.11	88.88	83.71	78.99	75.5	73.1	73.63
U.S. M 1-3/32" (cts./lb.) ⁴	n.a.	75.9	78.0	88.06	91.25	83.00	78.94	75.9	74.0	74.69
U.S. mill consumption (thou. bales)	5,870.5	5,263.8	5,512.8	486.3	467.1	527.0	370.5	434.8	516.7	436.3
Exports (thou. bales)	5,925.8	6,567.3	5,206.8	274.0	644.1	448.8	387.9	478.7	279.8	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths. n.a. = not available.

Fruit

	Annual			1983	1984					
	1981	1982	1983	Oct	May	June	July	Aug	Sept	Oct
Producer price indexes										
Fresh fruit (1967=100)	226.7	235.4	250.6	297.6	239.4	259.7	251.1	268.0	301.5	272.5
Dried fruit (1967=100)	405.9	409.7	409.3	404.2	404.5	405.0	405.3	357.3	360.5	351.1
Canned fruit and juice (1967=100)	273.8	283.7	286.8	289.8	313.6	315.4	315.5	315.4	311.1	316.8
Frozen fruit and juice (1967=100)	302.8	305.5	300.9	302.4	351.9	359.1	353.3	352.8	358.0	365.7
F.o.b. shipping point prices										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	10.50	⁴ 12.50	⁴ 12.25	⁴ 12.00	⁴ 14.50	14.50	13.75
Pears, Yakima Valley (\$/box) ²	n.a.	n.a.	n.a.	12.00	⁴ 6.88	⁴ 7.17	—	—	12.60	12.65
Oranges, U.S. avg. (\$/box) ³	11.30	14.10	14.40	9.33	18.70	21.30	22.50	23.50	22.36	25.32
Grapefruit, U.S. avg. (\$/box) ¹	10.10	9.36	9.13	10.10	11.20	11.00	11.30	10.80	10.88	12.36
	Year ending			1983	1984					
	1981	1982	1983	Oct	May	June	July	Aug	Sept	Oct
Stocks, ending										
Fresh apples (mil. lb.)	2,676.1	3,082.3	2,980.6	3,930.0	396.8	237.8	97.2	7.3	1,235.5	4,147.4
Fresh pears (mil. lb.)	207.9	180.9	250.6	358.6	36.8	4.2	6.3	100.0	396.1	304.6
Frozen fruit (mil. lb.)	545.6	627.5	643.1	701.0	406.5	451.4	581.9	715.8	704.8	752.8
Frozen fruit juices (mil. lb.)	1,127.2	1,157.6	938.1	980.3	1,462.4	1,303.9	1,141.9	1,065.9	913.2	880.1

¹ Red Delicious, Washington, extra fancy, carton tray pack, 80-113's. ² D'Anjou, Washington, standard box, wrapped, U.S. No. 1, 90-135's. ³ F.O.B. packed fresh. ⁴ Control atmosphere storage. n.a. = not available.

Vegetables

	Annual			1983	1984					
	1981	1982	1983	Oct	May	June	July	Aug ¹	Sept	Oct
Wholesale prices										
Potatoes, white, f.o.b. East (\$/cwt.) . . .	9.39	6.05	7.76	8.37	7.05	8.13	13.90	9.37	6.79	5.33
Iceberg lettuce (\$/crtm.) ¹	5.27	5.92	6.29	7.26	3.17	4.46	4.26	7.58	6.65	9.50
Tomatoes (\$/crtm.) ¹	9.06	7.40	8.69	6.39	7.75	6.48	7.25	10.45	6.38	4.46
Wholesale price index, 10 canned veg. (1977=100)	137	137	137	142	145	147	144	147	146	147
Grower price index, fresh commercial veg. (1977=100)	135	120	129	133	117	112	115	149	142	139

¹ Std. carton 24's f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla-Cal.

Sugar

	Annual			1983	1984					
	1981	1982	1983	Oct	May	June	July	Aug	Sept	Oct
U.S. raw sugar price, N.Y. (cts./lb.)¹ . .	19.73	19.92	22.04	21.94	22.01	22.06	21.89	21.72	21.70	21.56
U.S. deliveries (thou. short tons)^{2,3} . . .	9,731	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

¹ Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid-August 1979 after being suspended November 3, 1977. ² Raw value. ³ Excludes Hawaii. n.a. = not available.

Tobacco

	Annual			1983	1984					
	1981	1982	1983 p	Oct	May	June	July	Aug	Sept	Oct
Prices at auctions										
Flue-cured (cts./lb.) ¹	166.4	178.6	177.9	174.4	—	—	—	175.0	188.0	184.5
Burley (cts./lb.) ¹	180.6	180.3	179.5	—	—	—	—	—	—	—
Domestic consumption²										
Cigarettes (bil.)	640.0	633.0	603.0	49.6	50.3	60.5	49.4	60.8	n.a.	n.a.
Large cigars (mil.)	3,893	3,607	3,565	324.1	309.9	324.7	238.6	299.8	n.a.	n.a.

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. n.a. = not available.

Coffee

	Annual			1983	1984					
	1981	1982	1983 p	Oct	May	June	July	Aug	Sept	Oct p
Composite green price, N.Y. (cts./lb.) . . .	122.10	132.00	131.51	139.50	147.76	144.79	142.88	143.66	143.84	137.72
Imports, green bean equivalent (mil.lb.)¹ .	2,248	2,352	2,260	236	217	136	240	240	194	218F
	Annual			1983	1984					
	1981	1982	1983 p	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept p
Roastings (mil. lb.)²	2,324	2,293	2,238	554	486	549	650	575	518	557

¹ Green and processed coffee. ² Instant soluble and roasted coffee. F = Forecast. p = preliminary.

Supply and Utilization: Crops

Supply and utilization: domestic measure¹

	Area			Production	Total supply ²	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested	Yield								
	Mil. acres		Bu/acre				Mil. bu				\$/bu
Wheat											
1980/81	80.6	71.0	33.4	2,374	3,279	51	725	1,514	2,290	989	3.91
1981/82	88.9	81.0	34.5	2,799	3,791	142	714	1,771	2,627	1,164	3.65
1982/83*	86.2	77.9	35.5	2,765	3,932	195	713	1,509	2,417	1,515	3.55
1983/84*	76.4	61.4	39.4	2,420	3,939	376	736	1,429	2,541	1,398	3.54
1984/85*	79.5	65.2	38.8	2,570	3,973	325	742	1,525	2,592	1,381	3.35-3.55
Rice											
	Mil. acres		lb/acre				Mil. cwt (rough equiv.)				\$/cwt
1980/81	3.38	3.31	4,413	146.2	172.1	79.7	54.5	91.4	155.6	16.5	12.80
1981/82	3.83	3.79	4,819	182.7	199.6	79.0	59.6	82.0	150.6	49.0	9.05
1982/83*	3.30	3.26	4,710	153.6	203.4	78.9	54.0	68.9	131.8	71.5	8.11
1983/84*	2.19	2.17	4,598	99.7	171.9	56	49.1	70.3	125.0	46.9	8.50
1984/85*	2.85	2.82	5,008	141.0	189.0	70	54.0	64.0	125.0	64.0	8.00-8.75
Corn											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1980/81	84.0	73.0	91.0	6,639	8,258	4,133	735	2,355	7,223	1,034	3.11
1981/82	84.1	74.5	108.9	8,119	9,154	4,202	812	1,967	6,980	2,174	2.50
1982/83*	81.9	72.7	113.2	8,235	10,410	4,522	898	1,870	7,290	3,120	2.68
1983/84*	60.2	51.4	81.0	4,166	7,288	3,726	975	1,866	6,566	722	3.20
1984/85*	79.8	71.1	105.9	7,527	8,250	4,000	1,050	2,075	7,125	1,125	2.65-2.95
Sorghum											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1980/81	15.6	12.5	46.3	579	726	301	11	305	617	109	2.94
1981/82	15.9	13.7	64.0	876	984	428	11	249	688	296	2.39
1982/83*	16.0	14.1	59.1	835	1,131	507	10	214	731	400	2.52
1983/84*	11.7	9.8	48.7	479	880	373	11	246	630	250	2.75
1984/85*	16.2	14.2	57.3	814	1,064	451	10	250	711	353	2.40-2.55
Barley											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1980/81	8.3	7.3	49.7	361	563	174	175	77	426	137	2.86
1981/82	9.6	9.0	52.4	474	620	198	174	100	473	148	2.45
1982/83*	9.5	9.0	57.2	516	675	241	170	47	458	217	2.23
1983/84*	10.4	9.7	52.3	508	732	280	171	92	543	189	2.50
1984/85*	12.0	11.2	53.9	606	805	275	175	100	550	255	2.20-2.40
Oats											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1980/81	13.4	8.7	53.0	458	697	432	74	13	520	177	1.79
1981/82	13.6	9.4	54.2	510	688	453	76	7	536	152	1.89
1982/83*	14.0	10.3	57.8	593	749	441	85	3	529	220	1.48
1983/84*	20.3	9.1	52.6	477	727	466	78	2	546	181	1.69
1984/85*	12.2	8.1	58.4	472	674	401	80	3	484	190	1.60-1.80
Soybeans											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1980/81	70.0	67.9	26.4	1,792	2,151	489	1,020	724	1,833	318	7.57
1981/82	67.8	66.4	30.1	2,000	2,318	493	1,030	929	2,052	266	6.04
1982/83*	70.9	69.4	31.5	2,190	2,444	486	1,108	905	2,099	345	5.69
1983/84*	63.8	62.5	26.2	1,636	1,981	483	983	740	1,806	175	7.75
1984/85*	68.2	66.8	28.5	1,902	2,077	487	1,000	790	1,877	200	6.00-7.20
Soybean oil											
							Mil. lbs				c/lb
1980/81	—	—	—	11,270	12,480	—	9,113	1,631	10,744	1,736	22.7
1981/82	—	—	—	10,979	12,715	—	9,535	2,077	11,612	1,103	19.0
1982/83*	—	—	—	12,041	13,144	—	9,858	2,025	11,883	1,261	20.6
1983/84*	—	—	—	10,872	12,132	—	9,582	1,814	11,406	727	30.6
1984/85*	—	—	—	11,173	11,900	—	9,700	1,500	11,200	700	26.0-32.0
Soybean meal											
							Thou. tons				\$/ton
1980/81	—	—	—	24,312	24,538	—	17,591	6,784	24,375	163	218
1981/82	—	—	—	24,634	24,797	—	17,714	6,908	24,622	175	183
1982/83*	—	—	—	26,714	26,889	—	19,306	7,109	26,415	474	187
1983/84*	—	—	—	22,758	23,232	—	17,541	5,436	22,977	255	188
1984/85*	—	—	—	24,065	24,320	—	18,300	5,600	23,900	420	145-165

See footnotes at end of table.

Supply and utilization--domestic measure, continued

	Area		Yield	Production	Total supply ¹	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ²
	Planted	Harvested									
	Mill. acres		lb./acre				Mill. bales				c/lb
Cotton											
1980/81	14.5	13.2	404	11.1	14.1	—	5.9	5.9	11.8	\$ 2.7	74.4
1981/82	14.3	13.8	543	15.6	18.3	—	5.3	6.6	11.8	\$ 6.6	54.0
1982/83*	11.3	9.7	590	12.0	18.6	—	5.5	5.2	10.7	\$ 7.9	59.4
1983/84*	7.9	7.4	506	7.8	15.7	—	5.9	6.8	12.7	\$ 2.8	66.6
1984/85*	11.1	10.4	613	13.3	16.1	—	5.3	6.1	11.4	\$ 4.8	

Supply and utilization—metric measure⁶[illegible]

¹ November 13, 1984 Supply and Demand Estimates. ² Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, soymeal, and soyoil. ³ Includes imports. ⁴ Season average. ⁵ Includes seed. ⁶ Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. ⁷ Conversion factors. Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ⁸ Statistical discrepancy.

General Economic Data

Gross national product and related data

	Annual			1983		1984		
	1981	1982	1983	III	IV	I	II	III r
\$ Bil. (Quarterly data seasonally adjusted at annual rates)								
Gross national product ¹	2,957.8	3,069.3	3,304.8	3,346.6	3,431.7	3,553.3	3,644.7	3,695.2
Personal consumption expenditures	1,849.1	1,984.9	2,155.9	2,181.4	2,230.2	2,276.5	2,332.7	2,360.8
Durable goods	235.4	245.1	279.8	284.1	299.8	310.9	320.7	318.5
Nondurable goods	730.7	757.5	801.7	811.7	823.0	841.3	858.3	861.1
Clothing and shoes	114.3	118.8	127.0	126.8	132.5	136.1	142.2	139.3
Food and beverages	373.9	392.8	416.5	420.5	425.1	433.9	442.1	448.4
Services	883.0	982.2	1,074.4	1,085.7	1,107.5	1,124.4	1,153.7	1,181.2
Gross Private domestic investment	484.2	414.9	471.6	491.9	540.0	623.8	627.0	662.3
Fixed investment	458.1	441.0	485.1	496.2	527.3	550.0	576.4	593.8
Nonresidential	353.9	349.6	352.9	353.9	383.9	398.8	420.8	438.5
Residential	104.3	91.4	132.2	142.3	143.4	151.2	155.6	155.4
Change in business inventories	26.0	-26.1	-13.5	-4.3	12.7	73.8	50.6	68.5
Net exports of goods and services	28.0	19.0	-8.3	-16.4	-29.8	-51.5	-58.7	-89.9
Exports	369.9	348.4	336.2	342.0	346.1	358.9	362.4	369.3
Imports	341.9	329.4	344.4	358.4	375.9	410.4	421.1	459.2
Government purchases of goods and services	596.5	650.5	685.5	689.8	691.4	704.4	743.7	762.0
Federal	228.9	258.9	269.7	269.2	266.3	267.6	296.4	302.8
State and local	367.6	391.5	415.8	420.6	425.1	436.8	447.4	459.3
1972 \$Bil. (Quarterly data seasonally adjusted at annual rates)								
Gross national product	1,512.2	1,480.0	1,534.7	1,550.2	1,572.7	1,610.9	1,638.8	1,646.5
Personal consumption expenditures	950.5	963.3	1,009.2	1,015.6	1,032.4	1,044.1	1,064.2	1,065.6
Durable goods	140.9	140.5	157.5	159.6	167.2	173.7	178.6	177.6
Nondurable goods	360.8	363.1	376.3	378.5	383.2	387.1	396.6	395.4
Clothing and shoes	82.6	84.2	88.5	87.6	91.4	94.2	99.1	95.9
Food and beverages	180.9	182.3	188.9	190.9	191.2	189.7	193.6	195.5
Services	448.8	459.8	475.4	477.6	482.0	483.4	488.9	492.6
Gross Private domestic investment	230.9	194.3	221.0	230.6	249.5	285.5	283.9	300.6
Fixed investment	219.6	204.7	224.6	229.8	242.2	253.9	263.7	270.6
Nonresidential	175.0	166.9	171.0	172.6	184.5	193.3	202.9	210.5
Residential	44.5	37.9	53.7	57.2	57.8	60.6	60.8	60.1
Change in business inventories	11.3	-10.4	-3.6	.9	7.2	31.6	20.3	30.0
Net exports of goods and services	43.8	29.7	12.6	11.9	2.0	-8.3	-11.4	-26.6
Exports	160.2	147.6	139.5	141.6	141.0	144.9	144.7	147.8
Imports	116.4	118.0	126.9	129.7	139.1	153.2	156.2	174.4
Government purchases of goods and services	287.0	292.7	291.9	292.0	288.8	289.5	302.1	306.8
Federal	110.3	117.0	116.2	115.6	113.0	112.2	123.2	125.4
State and local	176.8	175.7	175.7	176.4	175.8	177.3	178.9	181.4
New plant and equipment expenditures (\$bil.)	289.4	282.7	269.2	270.1	284.0	293.2	302.7	316.2
Implicit price deflator for GNP (1972=100)	195.60	207.38	215.34	215.89	218.21	220.58	222.40	224.44
Disposable income (\$bil.)	2,041.7	2,180.5	2,340.1	2,367.4	2,428.6	2,502.2	2,554.3	2,606.1
Disposable income (1972 \$bil.)	1,049.3	1,058.3	1,095.4	1,102.2	1,124.3	1,147.6	1,165.3	1,176.4
Per capita disposable income (\$)	8,874	9,385	9,977	10,082	10,318	10,608	10,806	10,999
Per capita disposable income (1972 \$)	4,561	4,555	4,670	4,694	4,776	4,855	4,930	4,965
U.S. population, total, incl. military abroad (mil.)	230.1	232.4	234.5	234.8	235.4	235.9	236.4	236.9
Civilian population (mil.)	227.9	230.1	232.3	232.6	233.2	233.7	234.2	234.6

See footnotes at end of next table.

Selected monthly indicators

	Annual			1983		1984				
	1981	1982	1983 p	Oct	May	June	July	Aug	Sept	Oct p
Monthly data seasonally adjusted except as noted										
Industrial production, total ¹ (1967=100)	151.0	138.6	147.6	155.0	162.8	164.4	165.9	166.1	165.2	165.2
Manufacturing (1967=100)	150.4	137.6	148.2	156.2	164.2	165.7	167.3	167.8	166.9	167.2
Durable (1967=100)	140.5	124.7	134.5	142.8	153.3	154.9	157.2	158.1	157.2	157.3
Nondurable (1967=100)	164.8	156.2	168.1	175.6	179.9	181.3	181.8	181.7	180.8	181.4
Leading economic indicators ¹ (1967=100)	140.9	136.8	156.0	162.4	168.6	166.9	163.9	164.0	165.0	163.8
Employment ⁶ (mil. persons)	100.4	99.5	100.8	102.0	105.3	105.7	105.4	105.0	105.2	105.6
Unemployment rate ⁶ (%)	7.5	9.5	9.5	8.8	7.5	7.1	7.5	7.5	7.4	7.4
Personal income ¹ (\$ bil. annual rate)	2,429.5	2,584.6	2,744.2	2,814.9	2,978.8	3,006.5	3,027.0	3,045.4	3,067.9	3,085.5
Hourly earnings in manufacturing ⁶ (\$)	7.99	8.50	8.83	8.90	9.11	9.14	9.18	9.14	9.22	9.23
Money stock M1 (daily avg.) (\$bil.) ²	\$440.6	\$478.2	\$525.4	521.7	541.2	546.3	545.8	546.7	548.9	545.5
Money stock M2 (daily avg.) (\$bil.) ²	\$1,794.9	\$1,959.5	\$2,196.3	2,167.3	2,258.6	2,272.1	2,281.9	2,291.1	2,305.7	2,317.3
Three-month Treasury bill rate ³ (%)	14.029	10.686	8.63	8.71	9.90	9.94	10.13	10.49	10.41	9.97
Aaa corporate bond yield (Moody's) ⁴ (%)	14.17	13.79	12.04	12.25	13.28	13.55	13.44	12.87	12.66	12.63
Interest rate on new home mortgages ⁵ (%)	14.70	15.14	12.57	12.25	12.18	12.10	12.50	12.43	12.53	12.77
Housing starts, private (incl. farm) (thou.)	1,084	1,062	1,703	1,672	1,794	1,877	1,754	1,554	1,679	1,515
Auto sales at retail, total ¹ (mil.)	8.5	8.0	9.2	9.9	11.0	10.8	10.6	10.0	10.3	9.7
Business sales, total ¹ (\$ bil.)	355.8	343.5	367.1	382.5	412.7	414.1	411.4	411.2	408.9p	—
Business inventories, total ¹ (\$ bil.)	523.6	505.5	514.3	104.2	545.9	546.8	551.4	556.5	559.8p	—
Sales of all retail stores (\$ bil.) ⁹	87.0	89.5	97.8	100.9	108.2	109.3	107.4	106.6	107.9p	107.7
Durable goods stores (\$ bil.)	26.3	27.0	32.1	33.9	37.9	38.7	37.5	36.8	36.7p	37.6
Nondurable goods stores (\$ bil.)	60.7	62.5	65.7	67.0	70.3	70.6	70.0	69.8	71.2p	70.1
Food stores (\$ bil.)	19.9	20.8	21.6	22.0	22.8	23.0	23.2	22.8	23.5p	23.1
Eating and drinking places (\$ bil.)	8.2	8.6	9.6	9.9	10.2	10.4	10.5	10.7	10.6p	10.6
Apparel and accessory stores (\$ bil.)	4.2	4.3	4.5	4.6	5.0	5.1	4.9	4.8	5.0p	4.9

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ December of the year listed. ⁷ Moody's Investors Service. ⁸ Federal Home Loan Bank Board. ⁹ Adjusted for seasonal variations, holidays, and trading day differences. p = preliminary, r = revised.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1983		1984				
	1981	1982	1983	Oct	May	June	July	Aug	Sept	Oct
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.80	4.38	4.30	4.19	4.19	4.12	4.05	4.18	4.28	4.20
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	3.40	2.80	3.49	3.79	3.73	3.74	3.63	3.56	3.43	3.12
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	3.28	2.81	3.34	3.41	3.39	3.16	2.93	2.78	2.72	2.62
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.40	6.36	7.31	8.72	8.81	8.09	7.00	6.98	6.47	6.41
Soybean oil, Decatur (cts./lb.)	21.07	18.33	23.51	30.49	38.66	35.60	30.43	28.88	27.54	30.23
Soybean meal, Decatur (\$/ton)	218.65	179.70	200.91	227.52	188.45	174.45	158.05	151.35	144.55	141.02
Cotton, 10 market avg. spot (cts./lb.)	71.93	80.10	68.68	72.01	79.44	75.00	67.35	63.01	61.16	61.15
Tobacco, avg. price of auction (cts./lb.)	156.48	172.20	173.96	174.92	166.06	166.06	166.06	174.92	188.03	184.58
Rice, f.o.b. mill, Houston (\$/cwt.)	25.63	18.89	19.39	20.00	19.50	19.50	19.50	19.50p	19.50p	19.50p
Inedible tallow, Chicago (cts./lb.)	15.27	12.85	13.41	14.15	19.13	20.00	17.10	16.25	16.94	17.77
Import commodities										
Coffee, N.Y. spot (\$/lb.)	1.27	1.41	1.33	1.41	1.48	1.47	1.45	1.45	1.46	1.40
Sugar, N.Y. spot (cts./lb.)	19.73	19.86	22.04	21.94	22.00	22.06	21.89	21.72	21.70	21.55
Rubber, N.Y. spot (cts./lb.)	56.79	45.48	56.19	59.92	51.16	47.50	46.49	46.45	46.30	43.58
Cocoa beans, N.Y. (\$/lb.) . . . . .	.90	.75	.92	.91	1.19	1.08	.97	.99	1.04	1.00
Bananas, f.o.b. port of entry (\$/40-lb. box)	7.28	6.80	7.93	7.47	7.73	8.33	6.65	6.16	6.88	5.60

p = preliminary, n.a. = not available.

U.S. agricultural exports by regions

Region and country	October-September		September		Change from Year earlier	
	1982/83	1983/84	1983	1984	October-September	September
	\$ Mil.				Percent	
Western Europe	10,148	9,264	767	557	-9	-27
European Community	7,628	6,717	546	443	-12	-19
Belgium-Luxembourg	811	836	66	61	3	-8
France	517	510	33	19	-1	-42
Germany, Fed. Rep.	1,454	1,260	90	79	-13	-12
Italy	799	771	49	38	-4	-22
Netherlands	2,821	2,227	205	108	-21	-47
United Kingdom	821	790	75	108	-4	44
Other Western Europe	2,519	2,547	221	114	1	-48
Portugal	638	702	47	22	10	-53
Spain	1,139	1,221	83	41	7	-51
Switzerland	355	311	31	14	-12	-55
Eastern Europe	827	741	49	41	-10	-16
German Dem. Rep.	123	132	7	6	7	-14
Poland	232	197	15	10	-15	-33
USSR	983	2,512	10	323	156	3,130
Asia	13,588	15,209	1,187	1,110	12	-6
West Asia (Mideast)	1,482	1,865	132	186	26	41
Turkey	28	222	5	30	693	500
Iraq	323	423	31	42	31	35
Israel	293	351	21	21	20	0
Saudi Arabia	446	497	39	55	11	41
South Asia	1,170	867	82	71	-26	-13
India	762	376	15	19	-51	27
Pakistan	215	285	55	28	33	-49
East and Southeast Asia	10,936	12,476	973	853	14	-12
China	546	692	0	78	27	100
Taiwan	1,237	1,409	140	72	14	-49
Japan	5,888	6,935	559	466	18	-17
Korea, Rep.	1,713	1,816	138	108	6	-22
Hong Kong	344	407	24	31	18	29
Indonesia	410	438	38	25	7	-34
Philippines	380	300	34	46	-21	35
Africa	2,272	2,868	245	313	26	28
North Africa	1,452	1,542	152	204	6	34
Morocco	225	341	25	41	52	64
Algeria	203	182	16	24	-20	50
Egypt	911	882	83	110	-3	33
Other Africa	821	1,327	94	108	62	15
Nigeria	332	345	32	28	4	-13
Rep. S. Africa	130	525	24	13	304	-46
Latin America and Caribbean	4,858	5,279	527	387	9	-27
Brazil	400	437	32	40	9	25
Caribbean Islands	774	827	76	73	7	-4
Colombia	256	220	31	14	-14	-55
Mexico	1,777	1,967	168	110	11	-35
Peru	258	227	44	7	-12	-84
Venezuela	617	777	68	47	26	-31
Canada	1,870	1,936	169	167	4	-1
Oceania	224	216	19	19	-4	0
Total¹	34,769	38,025	2,973	2,916	9	-2

¹ Totals may not add due to rounding.

U.S. agricultural imports

	October-September				September			
	1982/83	1983/84	1982/83	1983/84	1983	1984	1983	1984
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live (no.)	1,576	1,902	555,219	595,815	100	143	39,278	46,415
Meats and preps., excl. poultry (mt)	938	906	2,091,759	1,931,291	77	86	170,638	179,965
Beef and veal (mt)	661	550	1,387,431	1,165,393	55	52	117,695	107,254
Pork (mt)	251	328	637,598	703,150	21	30	45,382	66,428
Dairy products (mt)	279	365	689,481	755,325	24	37	58,395	62,670
Poultry and products	—	—	90,589	121,591	—	—	8,607	9,043
Fats, oils, and greases (mt)	11	18	6,242	11,686	1	2	669	1,451
Hides and skins, incl. furskins	—	—	190,961	216,411	—	—	12,115	14,866
Wool, unmanufactured (mt)	38	59	123,963	193,424	3	3	9,303	10,763
Grains and feeds (mt)	1,606	1,808	458,848	532,525	151	184	41,211	50,489
Fruits, nuts, and preparations	—	—	1,865,491	2,304,799	—	—	125,953	203,463
Bananas and plantains (mt)	2,516	2,727	585,126	665,711	179	180	39,510	42,904
Vegetables and preparations (mt)	1,844	2,088	1,039,888	1,302,700	85	110	52,447	77,143
Tobacco, unmanufactured (mt)	239	190	542,886	562,905	12	15	36,639	44,905
Cotton, unmanufactured (mt)	8	32	7,316	17,386	(¹)	4	475	2,265
Seeds (mt)	85	82	90,596	96,542	2	2	4,403	4,754
Nursery stock and cut flowers	—	—	227,649	291,920	—	—	28,203	33,744
Sugar, cane or beet (mt)	2,564	2,829	973,652	1,144,338	307	153	112,911	65,934
Oilseeds and products (mt)	1,015	1,131	522,498	796,365	97	79	53,707	70,897
Oilseeds (mt)	180	289	79,663	93,934	21	9	7,898	4,451
Protein meal (mt)	87	118	14,142	21,009	7	9	1,158	1,321
Vegetable oils (mt)	749	793	428,694	681,421	70	61	44,652	65,125
Beverages excl. fruit juices (hl)	11,952	13,596	1,316,629	1,510,307	1,107	1,355	114,872	137,579
Coffee, tea, cocoa, spices, etc. (mt)	1,685	1,757	3,961,297	4,753,299	123	144	323,842	413,234
Coffee, incl. products (mt)	1,061	1,128	2,832,058	3,300,425	94	89	249,274	261,970
Cocoa beans and products (mt)	464	451	828,569	1,068,400	23	43	51,199	121,139
Rubber and allied gums (mt)	654	809	582,003	853,990	45	69	47,732	68,567
Other	—	—	934,125	904,917	—	—	66,455	82,427
Total	—	—	6,271,092	18,897,536	—	—	1,307,855	1,580,574

¹ Less than \$500,000.

Trade balance

	October-September		September	
	1982/83	1983/84	1983	1984
	\$ Mil.			
Exports				
Agricultural	34,769	38,025	2,973	2,916
Nonagricultural	159,373	170,016	13,507	14,184
Total ¹	194,142	208,041	16,480	17,100
Imports				
Agricultural	16,271	18,898	1,308	1,581
Nonagricultural	229,438	295,106	20,347	26,038
Total ²	245,709	314,004	21,655	27,619
Trade balance				
Agricultural	18,498	19,127	1,665	1,335
Nonagricultural	-70,065	-125,090	-8,840	-11,854
Total	-51,567	-105,963	-5,175	-10,519

¹ Domestic exports including Department of Defense shipments (F.A.S. value). ² Imports for consumption (customs value).

U.S. agricultural exports

	October-September				September			
	1982/83	1983/84	1982/83	1983/84	1983	1984	1983	1984
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live (no.)	763	754	264,108	276,233	88	75	21,090	84,603
Meats and preps., excl. poultry (mt)	412	422	925,680	929,414	38	36	78,843	79,094
Dairy products (mt)	339	419	348,869	392,757	39	54	32,790	48,402
Poultry meats (mt)	250	225	281,052	279,857	21	21	27,298	22,992
Fats, oils, and greases (mt)	1,443	1,395	593,189	703,164	123	119	55,023	61,425
Hides and skins incl. furskins	—	—	997,499	1,317,789	—	—	75,049	94,223
Cattle hides, whole (no.)	21,989	24,283	709,462	1,009,607	1,732	1,833	63,531	81,297
Mink pelts (no.)	2,446	2,551	61,993	67,465	49	49	1,101	1,418
Grains and feeds (mt)	102,016	108,214	15,049,941	17,302,927	8,965	11,187	1,440,607	1,701,593
Wheat and wheat flour (mt)	38,230	42,774	6,166,080	6,731,045	3,421	6,638	544,139	1,004,560
Rice (mt)	2,276	2,293	874,340	896,900	295	269	101,949	96,966
Feed grains, excl. products (mt)	53,481	55,301	6,495,507	8,127,725	4,566	3,788	660,869	505,500
Feeds and fodders (mt)	7,171	7,021	1,192,983	1,215,925	619	424	107,054	68,069
Other grain products (mt)	858	825	321,031	331,332	64	68	26,596	26,498
Fruits, nuts, and preparations (mt)	2,120	1,930	1,881,949	1,817,823	166	149	162,523	166,338
Vegetables and preparations (mt)	1,578	1,527	989,540	998,511	102	99	70,990	65,493
Tobacco, unmanufactured (mt)	245	227	1,487,156	1,432,724	13	18	87,514	106,869
Cotton, excl. linters (mt)	1,136	1,481	1,682,924	2,394,592	74	61	114,744	104,553
Seeds (mt)	275	252	332,978	325,862	28	18	28,732	23,098
Sugar, cane or beet (mt)	141	285	38,092	73,828	51	13	14,004	3,219
Oilseeds and products (mt)	34,322	26,965	8,720,904	8,603,715	2,048	792	666,851	266,271
Oilseeds (mt)	26,039	20,401	6,332,284	6,233,966	1,525	534	462,068	148,024
Soybeans (mt)	24,522	19,198	5,865,752	5,713,923	1,466	516	436,844	136,956
Protein meal (mt)	6,688	5,129	1,486,258	1,239,013	381	158	102,560	34,479
Vegetable oils (mt)	1,596	1,435	902,362	1,130,735	142	100	102,223	83,769
Essential oils (mt)	10	11	87,992	95,585	1	1	7,619	5,740
Other	—	—	1,087,583	1,080,276	—	—	89,653	82,489
Total	—	—	34,769,456	38,025,057	—	—	2,973,330	2,916,402

Indexes of nominal and real trade-weighted dollar exchange rates

	1983		1984									
	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
April 1971=100												
Total agriculture												
Nominal ¹	454.4	478.4	505.7	538.8	580.4	618.9	661.8	710.1	770.3	823.2	899.3	938.9
Real ²	96.2	97.4	98.2	96.5	*94.4	*95.6	*97.8	*98.0	*100.5	*100.8	103.3	104.2
Soybeans												
Nominal	152.3	155.3	157.5	155.1	152.9	155.0	162.1	162.4	166.8	168.0	172.6	175.6
Real	91.7	93.4	94.6	92.1	*89.3	*90.4	*93.2	*93.4	*96.7	*97.6	101.0	102.4
Wheat												
Nominal	1,843.4	1,972.7	2,126.0	2,333.9	2,588.1	2,802.5	3,017.9	3,304.7	3,645.3	3,957.5	4,394.5	4,612.3
Real	102.2	102.3	102.7	102.2	*101.1	*102.3	*103.5	*104.1	*105.3	*105.1	106.3	106.1
Corn												
Nominal	448.3	471.1	497.1	526.7	563.2	598.6	640.6	684.1	740.4	789.2	860.0	897.8
Real	95.3	96.6	97.7	95.4	*92.7	*93.6	*96.5	*96.5	*99.6	*100.3	103.5	104.9
Cotton												
Nominal	180.2	181.4	182.5	181.4	180.4	184.0	185.8	187.2	190.3	191.1	193.1	194.5
Real	92.6	93.3	93.6	92.8	*91.6	*92.1	*93.3	*94.2	*96.2	*96.7	97.7	98.5

¹ Nominal values are percentage changes in currency units per dollar, weighted by proportion of agricultural exports from the United States. An increase indicates that the dollar has appreciated. ² Real values are computed in the same way as the nominal series, adjusted for CPI changes in the countries involved.

*Preliminary; assumes the same rate of CPI increase/decrease as the previous six months.

World Agricultural Production

World supply and utilization of major crops

	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84 F	1984/85 F
	Mil. units						
Wheat							
Area (hectare)	228.9	227.6	236.5	239.3	238.9	228.8	231.2
Production (metric ton)	446.8	422.8	442.7	448.8	478.6	489.1	505.7
Exports (metric ton) ¹	72.0	86.0	94.1	101.3	98.5	103.1	105.8
Consumption (metric ton) ²	430.2	443.5	445.3	441.7	467.0	484.8	502.2
Ending stocks (metric ton) ³	100.9	80.4	78.5	85.4	96.9	101.2	104.7
Coarse grains							
Area (hectare)	342.8	341.1	336.6	343.9	333.2	330.4	334.3
Production (metric ton)	753.6	741.5	732.0	768.7	778.7	689.4	789.3
Exports (metric ton) ¹	90.2	98.8	108.8	97.8	91.3	90.9	99.9
Consumption (metric ton) ²	748.1	740.3	741.6	739.6	752.8	759.2	771.6
Ending stocks (metric ton) ³	91.2	91.6	83.3	112.4	138.2	68.4	86.1
Rice, milled							
Area (hectare)	144.1	143.1	144.3	145.1	141.1	144.4	145.3
Production (metric ton)	260.7	253.9	271.0	280.3	285.9	307.1	313.0
Exports (metric ton) ¹	11.6	12.7	13.1	11.6	11.8	12.5	11.6
Consumption (metric ton) ²	255.8	257.8	272.4	281.5	289.9	307.1	311.3
Ending stocks (metric ton) ³	27.7	23.4	22.1	21.2	17.2	17.2	18.9
Total grains							
Area (hectare)	715.6	711.8	717.4	728.3	713.2	703.6	710.8
Production (metric ton)	1,461.1	1,418.2	1,445.7	1,497.5	1,543.2	1,485.6	1,608.0
Exports (metric ton) ¹	173.8	197.5	216.0	210.7	201.6	206.5	217.3
Consumption (metric ton) ²	1,434.1	1,441.9	1,459.3	1,462.8	1,509.7	1,551.1	1,585.1
Ending stocks (metric ton) ³	219.8	195.4	183.9	219.0	252.3	186.8	209.7
Oilseeds and meals^{4,5}							
Production (metric ton)	82.1	90.6	87.6	93.0	95.9	91.6	97.1
Trade (metric ton)	40.6	51.8	47.9	53.9	55.5	51.6	53.8
Fats and oils⁵							
Production (metric ton)	48.5	52.0	52.5	55.2	57.3	56.4	58.4
Trade (metric ton)	19.3	20.7	19.7	21.0	21.5	20.7	22.1
Cotton							
Area (hectare)	32.4	32.2	32.4	33.2	31.9	31.5	33.9
Production (bale)	59.6	65.2	64.8	70.8	67.4	67.3	80.7
Exports (bale)	19.7	23.1	19.7	20.2	19.3	19.3	20.2
Consumption (bale)	62.0	65.3	65.9	65.5	67.9	68.5	69.5
Ending stocks (bale)	24.1	24.0	24.1	28.7	25.0	24.3	35.2

F = Forecast. p = preliminary. ¹ Excludes intra-EC trade. ² Where stocks data not available (excluding USSR), consumption includes stock changes. ³ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. ⁴ Soybean meal equivalent. ⁵ Calendar year data. 1979 data correspond with 1978/79, etc. Excludes safflower, sesame, and castor oil.



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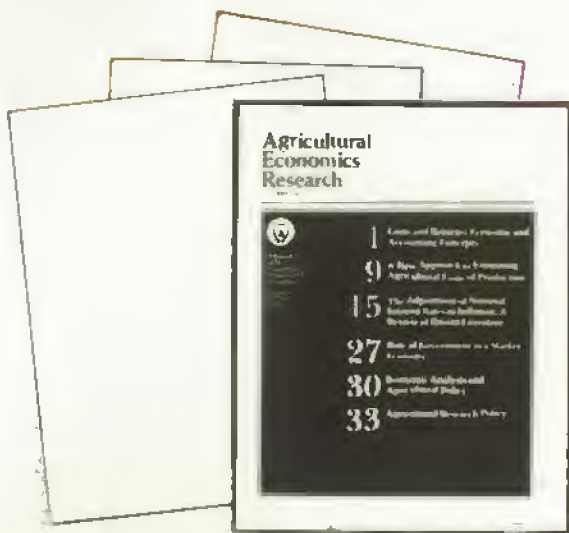
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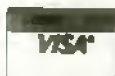
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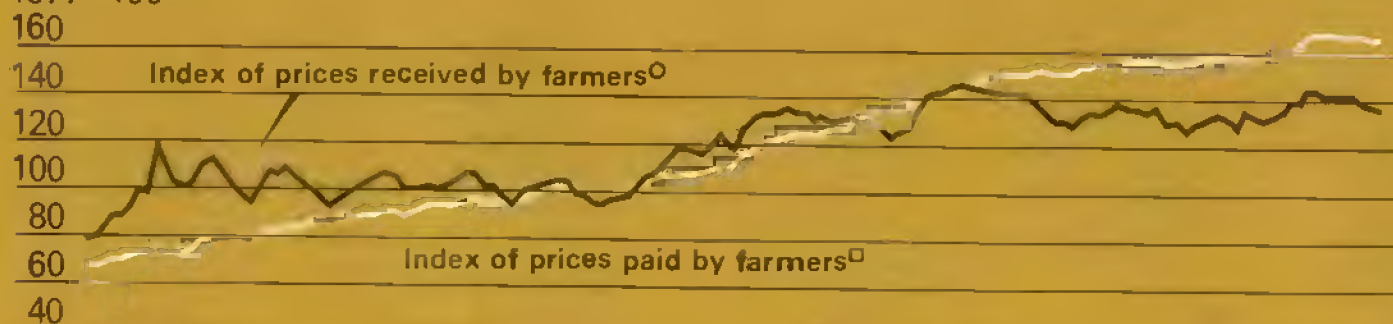


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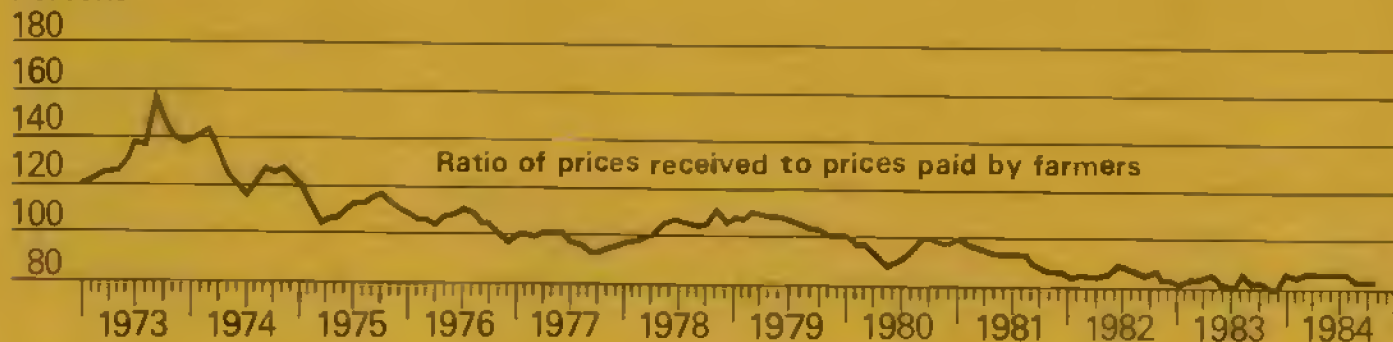
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